

The complaint

Mr and Mrs C have complained about the way Union Reiseversicherung AG ('URV') has dealt with their claim.

Mr and Mrs C have a representative but for simplicity, I will refer to all submissions by the representative as if they were made by Mr and Mrs C.

What happened

Mr and Mrs C bought an annual multi trip travel insurance policy, underwritten by URV.

Whilst on holiday abroad, their villa was burgled. They made a claim which URV accepted and paid. But Mr and Mrs C were unhappy with the settlement amount. So they complained to URV but were unhappy with its response, referred their complaint to this Service.

Our investigator looked into the complaint and found that URV had settled the claim for the correct amounts in line with the policy terms and conditions. But she thought it should pay £100 compensation for the frustration Mr and Mrs C felt as a result of service issues.

URV agreed but Mr and Mrs C didn't. In summary, they said:

- The website link for the wear and tear scale was broken. URV applied the depreciation scale in error - the sunglasses have not depreciated in value.
- They would like to see that the website worked. They had no idea about the wear and tear scale which meant that some of their items effectively weren't covered.
- URV hasn't treated them fairly given their age. They did not know there was a member's area to log into. And were shocked about the sale of such a product to someone in their 80s.
- Their items were kept bagged and the baggage cover is £750.
- Give the premiums paid over the years and the items they presumed were covered, this product shouldn't have been sold to them in this way.

And so the case has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The relevant rules and industry guidelines say an insurer should handle claims promptly, fairly and shouldn't unreasonably reject a claim.

The policy terms and conditions, which make up the contract of insurance between Mr and Mrs C and URV, set out the limits of cover in Mr and Mrs C's circumstances as follows:

Baggage – up to £750

Single article – up to £100

Valuables in total - £100

Cash – up to £150

For baggage claims, the policy covers the following:

“We will pay you up to the amount shown in the summary of cover for the accidental loss or, theft of or damage to baggage. The amount payable will be less a deduction for wear, tear and depreciation (loss of value), or we may at our option replace, reinstate or repair the lost or damaged baggage. You can find full details of the wear and tear scale published on the Travel Claims Facilities website...”

The policy confirms the maximum URV we will pay is:

“...Up to the amount shown in the summary of cover for the total for all valuables.”

Valuables is defined in the policy as follows:

“...jewellery; watches, furs, leather articles; precious stones and articles made of or containing gold, silver or other precious metals.”

URV paid £100 per person for valuables which included Mr C's watch and pen and Mrs C's jewellery.

For Mr C's sunglasses and shoes, URV applied a wear and tear deduction, in line with its wear and tear scale.

Based on the above, I'm satisfied URV correctly paid the claim for Mr and Mrs C's items in line with the policy terms and conditions. This includes the maximum payment for all valuables and deductions for the remainder of the items.

Mr and Mrs C have said that the link within the terms and conditions doesn't lead to the wear and tear scale. And it isn't suitable or accessible. They believe the policy was mis-sold as it wasn't suitable based on the limits applied to the claim.

As Mr and Mrs C were sent the full policy documentation following the non-advised sales call, I don't think the policy was mis-sold as they received information regarding the limits for each section. The policy is clear that a deduction will be made for wear, tear and depreciation.

Although Mr and Mrs C say the scale isn't accessible, there is no evidence that they tried to access it before they needed to claim or that this was a key factor in buying the policy. Mr and Mrs C say they presumed their items were covered and given the amount of premiums paid over the number of years, they don't think URV has treated them fairly. They say the policy shouldn't have been sold to them in the way that it was.

I've considered what Mr and Mrs C have said very carefully but I don't think I can hold URV responsible for the level of cover Mr and Mrs C had. URV provided a quote for a policy which Mr and Mrs C asked for. And the adviser confirmed the limits and referred to the full policy documents. There is no evidence that Mr and Mrs C asked specifically about any items they wished to insure. So I don't think URV could reasonably have done anything more to assist Mr and Mrs C in selecting a policy.

Customer service issues

Our investigator recommended £100 compensation for the following errors made by URV:

- URV incorrectly referred to a pendant rather than a pen and the value of some items. But it apologised and paid the correct settlement in line with the policy terms.
- Mr and Mrs C provided authority for their son to act on their behalf but URV continued to write to Mr and Mrs C.
- Mrs C's claim settlement was sent to Mr C although she had completed a claim form with her bank account details.

Taking the above errors and shortfalls into account, they weren't ongoing issues and didn't have a lasting effect.

Overall, I think URV has applied the policy terms and conditions in relation to limits fairly. But the customer service problems caused some frustration and disappointment for which £100 compensation is fair and reasonable in all the circumstances.

My final decision

For the reasons set out above, I uphold this complaint and direct Union Reiseversicherung AG to pay Mr and Mrs C a total of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 27 September 2022.

Shamaila Hussain
Ombudsman