

## The complaint

Mr L complains that Great Lakes Insurance SE declined his theft claim under his travel insurance and about its service. My references to Great Lakes include its agents.

## What happened

Mr L had an annual multi trip travel insurance policy insured by Great Lakes. He claimed on the policy for a bag that was stolen while he was sitting on a beach during a long layover for his return flight.

Mr L said he had kept the bag close to him and he didn't leave the bag unattended so he didn't know how anyone had managed to steal it. He'd noticed the bag had gone when he and his partner were leaving the beach to get a taxi to the airport for the return flight. Mr L said he didn't report the theft to the police in the relevant country as he had to catch his flight so he reported the theft to the police in the UK on his return and gave Great Lakes the report's reference number.

Great Lakes declined the claim. It said as Mr L didn't see the bag being stolen it was reasonable for it to consider that the bag wasn't in his sight and *'out of his personal control'*, so the claim wasn't covered by the policy terms. Also Mr L hadn't provided a police report to support his claim, as required by the policy terms. Great Lakes accepted Mr L's concern that it had delayed in assessing the claim and apologised.

Mr L complained to us. He wants Great Lakes to pay his claim in full and pay him compensation for his time and stress in dealing with it. He also wants Great Lakes to be investigated about its claim handling by an 'independent body'.

Our investigator said Great Lakes unreasonably declined the claim. She recommended it pay the claim in line with the remaining policy terms and conditions plus interest.

Mr L accepts our investigator's recommendation.

Great Lakes disagrees and wants an ombudsman's decision. It sent us a photo of the bag and queried how a bag of that size could have been stolen without Mr L realising if the bag had been close to him at all times. It objected to having to pay for items if Mr L had no proof of ownership of those items. It also said that when making the claim Mr L had put on the form that he'd been sitting on a beach, not in a beach bar as our investigator had mentioned.

## 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 regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

I think Great Lakes unreasonably declined the claim. I'll explain why.

The policy terms cover theft of personal baggage, subject to terms, conditions and the policy limits. The policy also lists when theft of personal baggage isn't covered:

*'Any loss or theft of your personal baggage that you do not report to the Police within 24 hours of discovery or as soon as possible after that and for which you do not get a written report from them*

....

*Any loss or theft of your personal baggage left out of sight and out of personal control in public places where you are not in a position to prevent unauthorised interference with your property e.g. station, airport, restaurant, beach, etc'.*

I think Mr L made a reasonable decision not to go to the police station abroad to report the theft which would have meant missing his return flight and incurring additional costs. I don't think Mr L prejudiced Great Lakes' position as it's highly unlikely that reporting the theft to the police abroad would have made catching the thief and Mr L's items more likely. In the circumstances I think it was reasonable for Mr L to report the theft to the police in the UK, and that he did so '*as soon as possible*' as the policy requires.

Mr L didn't provide a police report, as the policy terms require, but that's because the UK police told him it wouldn't send him the report but would send the report direct to Great Lakes upon Great Lakes' request. Mr L told Great Lakes what the police had told him and gave it the report reference number. On the evidence I have it was reasonable that Mr L didn't send a police report to Great Lakes and he'd given the information it required to get the report.

In the circumstances I think Great Lakes unreasonably rejected the claim on the basis that Mr L didn't provide a written police report.

In Mr L's complaint form and his description of the incident to us in further detail he said the bag was stolen while he was on the beach. He didn't say the bag was stolen in a beach bar. I'm satisfied that there are no substantive discrepancies in what Mr L put on the claim form and what he said to us about the incident.

From what Mr L's said, which I accept, there's no evidence that he left his bag out of sight or out of his personal control. I haven't seen any evidence that Mr L told Great Lakes he left the bag with another traveller, as Great Lakes suggests. And if he had asked his partner to look after the bag for a moment I think that would have been reasonable.

Great Lakes says the bag can't have been in Mr L's sight or been close to him if he didn't notice a bag of that size being stolen. I've seen the photo of the bag and it looks to be of medium size. I don't think the bag was so big that it was impossible for it to be stolen without Mr L noticing. And I don't think the bag being stolen must mean Mr L wasn't close to his bag and wasn't in a position to prevent the theft.

Great Lakes' interpretation of the policy wording about the bag being out of sight means that Mr L would have needed to be looking at the bag at all times and I don't think that's a reasonable interpretation. I'm satisfied from what Mr L's said that he took reasonable care of the bag, he didn't leave it unattended, it was in his personal control and he was in a position to prevent unauthorised interference with the bag even though it was stolen.

I'm satisfied that the fair and reasonable outcome is for Great Lakes to pay the claim in line with the remaining policy terms, conditions and limits plus interest as I've detailed below. That doesn't mean Great Lakes has to pay for all the items Mr L's claimed for, the settlement is still subject to the remaining policy terms and conditions which detail proof of ownership and other relevant issues as well as the policy limits.

Mr L was frustrated by Great Lakes' poor service and Great Lakes accepts there were delays in assessing the claim. There looks to be a delay of about three and a half months between Mr L making the claim and Great Lakes sending its final response letter which I don't think is wholly unreasonable. Great Lakes apologised for its service and I don't think

its delays were so unreasonable for me to make a compensation award. Mr L accepted our investigator's recommendation which didn't include a compensation award.

Mr L asked that we order an investigation by an 'independent body' into Great Lakes' claim handling. We're not the regulator and we don't have statutory power to order such an investigation.

### **Putting things right**

Great Lakes must pay Mr L's claim subject to the remaining policy terms, conditions and limits plus interest as detailed below.

### **My final decision**

I uphold this complaint and require Great Lakes Insurance SE to pay Mr L's claim subject to the remaining policy terms, conditions and limits plus interest\* at 8% simple a year from the date of claim to the date of settlement.

\*If Great Lakes Insurance SE considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr L how much it's taken off. It should also give Mr L a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 July 2023.

Nicola Sisk  
**Ombudsman**