

The complaint

Mr H complains that Great Lakes Insurance SE declined a claim after his laptop computer was stolen.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

At the relevant times, Mr H had a gadget insurance policy underwritten by Great Lakes.

He says his laptop – and a relatively old mobile phone – were stolen from him in the street during a visit to London. He made a claim for the laptop on 16 September 2022 – the same day he says the theft occurred.

After investigating the claim - and interviewing Mr H – Great Lakes' agents declined it. They told Mr H they thought the claim was fraudulent due to what they described as "inconsistencies" in the information and evidence he'd provided.

Mr H wasn't happy with this and made a complaint to Great Lakes. And when they maintained their position and said the decision to decline the claim was correct, he brought his complaint to us.

Our investigator looked into it and didn't think Great Lakes had done anything wrong.

Mr H disagreed and asked for a final decision from an ombudsman.

Because I disagreed with our investigator's view, I decided to issue a provisional decision in this case. That allowed both Mr H and Great Lakes a chance to provide more information or evidence and/or to comment on my thinking before I issue my final decision on Mr H's complaint.

My provisional decision

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.
When Great Lakes declined the claim, their agents wrote to Mr H, on 8 November 2022, to explain their decision.

That letter said the claim had been "brought into disrepute" by inconsistencies in the information Mr H had provided when he made the claim, when he responded to specific questions put to him just after he made the claim, and when he was interviewed around six weeks after the claim was made.

Later, in response to his complaint, they made it clear they were declining the claim because they thought it was fraudulent. And they explained in more detail what they thought the inconsistencies or anomalies in Mr H's evidence were.

Mr H reported the theft to the Police – and registered his laptop as stolen. He then made his claim.

In short, Mr H says his friend had given him a lift to London, from the town where they both live, so that he could attend a pre-arranged meeting in a café.

He says his friend was going to London to meet someone at the airport. And he dropped Mr H several minutes' walk from the café.

Mr H says on his way to the café, he was stopped by two thieves, who stole his laptop and mobile phone. He then didn't attend the planned meeting but walked to another friend's house a short distance away. From there, he contacted the friend who'd given him the lift into London, who later picked him up and took him home.

Mr H says he part-completed the claim on-line in the car on the way home, using his friend's device, and then finished it on his own computer once he'd got home.

Great Lakes' agents (in the letter responding to Mr H's complaint) said there were essentially five issues with the information Mr H provided. These were as follows.

One – Mr H couldn't recall the exact location at which his friend had dropped him off in London just before the alleged theft took place. Great Lakes said it was reasonable to assume Mr H and/or his friend would have recalled that exact location.

Two – Mr H said that having lost his phone, he'd called a relative to get his friend's phone number to call him and ask him for a lift back to their hometown. Great Lakes said Mr H hadn't told them that in the first instance. And they said they didn't believe it was reasonable to suggest that he would have called the relative to get his friend's phone number.

Three – Mr H said his friend had been on the way to the airport to pick someone up. And hadn't been able to explain why his friend was in the area two hours or more later to offer him a lift.

Four – Mr H hadn't been able to explain why the person his friend had picked up the airport wasn't still in the car at that point.

Five – Mr H said he'd submitted the claim partly from the car and partly when he'd got home. It was submitted at 8:37pm and the IP address from which it had been submitted was a static address in North Norfolk (not close to London or indeed Mr H's hometown).

When our investigator asked Great Lakes about the IP addresses – which also apparently linked Mr H's claim to an IP address in Turkey – they accepted that the data they'd used wasn't a reliable guide to where Mr H had been at the time. And they agreed that particular evidence was entirely irrelevant in determining whether the claim was or was not fraudulent.

When I look at the rest of the evidence Great Lakes referenced in justifying their claim decision (points one to four above), I don't think that's sufficient to sustain the

allegation that Mr H's claim was fraudulent. That's a very serious allegation and needs reliable and persuasive evidence to back it up.

I don't think it's entirely unreasonable to suggest that – by the time he was interviewed, six weeks or so after the incident – it's unsurprising Mr H was unable to pinpoint the exact location at which he'd been dropped off. I particularly bear in mind here that Mr H has provided medical evidence to show that he suffers from mental health issues which can affect his memory.

I'm also satisfied that Mr H's narrative that he rang a family member to obtain his friend's phone number is entirely plausible. His phone had been stolen, so he had no way to readily access his friend's number. I think if any reasonable person were put in that situation, they might think to ring a mutual connection whose number they could remember and ask them to pass on contact details for a friend. For me, that doesn't suggest Mr H is perpetrating a fraud. It suggests he's reasonably resourceful.

The fact that Mr H didn't immediately tell Great Lakes' agents how he'd obtained his friend's phone number, only providing his explanation later, is for me more an indication of what he was asked and what he thought was significant in terms of the claim, rather than an indication that Mr H was perpetrating a fraud.

Mr H wasn't entirely clear about his friend's business in London and exactly what he was doing that afternoon and evening. He initially said his friend was picking someone up from the airport, but he later said he might have mis-remembered that. And he said he couldn't immediately say why his friend remained fairly close to the area in which the alleged theft took place – or where the person his friend had picked up had gone by the time the friend picked up Mr H.

Again though, it's not entirely surprising – particularly given his mental health problems – that Mr H couldn't recall exactly what his friend had been up to in London. To be frank, he was taking a lift from his friend and may have been more interested in what he himself was doing rather than exactly why his friend was driving to London.

It's also clear from the recording of the telephone interview with Great Lakes' agent that Mr H wasn't entirely sure what his friend had been doing. He mentioned the airport, but it was the agent who said that would likely be Gatwick or Heathrow – Mr H didn't definitively say that it was one of those airports.

Mr H later said his friend had been going to City airport, which explains why he was reasonably close when Mr H rang him to request a lift back to their hometown.

Great Lakes say this version of events may have been concocted only afterwards when it became apparent the timeline wouldn't really fit with a trip to Heathrow or Gatwick.

But as I say, during the interview it was the agent, not Mr H, who originally suggested it must have been Gatwick or Heathrow. And listening to Mr H's vague and non-committal response, no-one would conclude that he'd definitively confirmed that it was one of those two airports.

The point about the person Mr H's friend picked up from the airport appears to me to be something of a red herring. Again, Mr H was reasonably vague about his friend's purpose in going to the airport – I assume he didn't think it was important or had any bearing on his claim (not unreasonably perhaps). And if the friend had in fact been

picking someone up, he may have dropped them in London before he re-connected with Mr H – there was never any suggestion that the person being picked up lived near Mr H and his friend.

All in all, then, I don't think there's sufficient evidence to justify Great Lakes' agents accusing Mr H of fraud and refusing his claim. To refuse a claim on that basis, I'd think Great Lakes would have wanted much more – and/or more compelling - evidence that the claim was fraudulent.

Mr H has proved he owned the laptop. He reported the crime to the Police. He reported the laptop as being stolen in order to prevent (as far as possible) its onward sale and/or use. And there are no other factors I'm aware of which would cause Great Lakes to suspect that Mr H was dishonest.

That being the case - and given that Great Lakes have given no other reason to decline the claim - I'm minded as things stand to require Great Lakes to settle the claim for the full amount (£1,980.49).

I'm also minded to ask them to pay interest at 8% simple on that amount from the date they declined the claim (8 November 2022) to the date they make the payment to Mr H.

Mr H has also suffered considerable trouble and upset as a result of being accused of fraud – which must have been unpleasant and stressful - and not having the money to replace the stolen laptop. He's also had the inconvenience of having to explain himself to Great Lakes at greater length and more often than was strictly necessary.

Taking all of that into account, I'm also minded to require Great Lakes to pay Mr H £200 in compensation for the trouble and upset he's experienced as result of their error in declining the claim on the basis that it was fraudulent.”

The responses to my provisional decision

Mr H responded to my provisional decision to confirm he had nothing further to add.

Great Lakes responded to say they'd considered my provisional decision and had taken steps to settle the claim in the way I'd suggested and pay the required compensation for Mr H's trouble and upset.

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.

Neither Mr H nor Great Lakes provided any more information or evidence relating to the case.

I have nonetheless looked again at the documents and evidence we have on file and reviewed my provisional decision. But I have no reason to change my mind about the proposed outcome to this case.

Putting things right

As I indicated in my provisional decision, I'm upholding Mr H's complaint.

And for the reasons set out in my provisional decision, I'm going to require Great Lakes to settle the claim in full, add interest to that payment and pay Mr H £200 in compensation for his trouble and upset.

My final decision

For the reasons set out above and in my provisional decision, I uphold Mr H's complaint.

Great Lakes Insurance SE must:

- settle Mr H's claim for the laptop in full;
- add 8% simple interest to that amount (calculated from the date they declined the claim to the date they make the payment to Mr H); and
- pay Mr H £200 in compensation for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 July 2023.

Neil Marshall
Ombudsman