

The complaint

Ms G and Mr G complain About Amtrust Europe Limited (Amtrust), who declined their claim under their gadget insurance policy.

What happened

Ms G and Mr G held a gadget insurance policy with Amtrust. Their laptop became damaged, and they made a claim. The claim was declined as Amtrust said that laptops that were accidentally damaged were not covered under the policy.

Ms G and Mr G raised a complaint as they said that the policy was misleading and ambiguous, as it suggested that laptops which it said were classed as gadgets, were covered under the policy, as gadgets were covered under the policy. They also said that when they spoke to the Amtrust agent, he also agreed, that the policy was ambiguous.

In its final response, Amtrust maintained its position, that laptops that had been accidentally damaged, were not covered under the policy. So, the decision to decline the claim was correct.

Ms G and Mr G were given their referral rights and referred a complaint to our service. One of our investigators considered the complaint and thought it should partially be upheld. She didn't think that the claim should be met as the policy stated that laptops weren't covered for accidental damage. But she felt that the policy terms were unclear and misleading in part, and this has affected Ms G & Mr G's expectation of the claim outcome. She recommended that Amtrust pay Ms G and Mr G £100 compensation for the trouble and upset caused.

Amtrust accepted the view Ms G and Mr G did not. They said that the policy terms were misleading, and our investigator's view supported that. They said that our investigator's view was unclear. And as it stated that laptops wouldn't be covered under accidental damage, this was null when the policy terms and conditions were referred to. Those terms stated that gadgets are laptops and laptops were covered. So, they asked for a decision from an ombudsman.

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.

I considered the complaint, and I thought the complaint should be upheld. I issued a provisional decision on 8 January 2024 and asked both parties to send me anything else by 5 February 2024. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I'm minded to uphold this complaint in full. I think this is fair and reasonable in the circumstances and I will explain why I think this is fair.

I've considered the comments and evidence from both parties. I've looked at the policy terms and conditions, as well as listened to the call recordings that were sent by Amtrust.

I've reviewed the policy terms and the document which is eight pages long provides definitions of what amounts to accidental damage. Under the policy it states that a gadget that has become damaged as a result of an accident, is covered. Ms G and Mr G said that their laptop had been dropped accidentally and this caused damage to it. So, under the policy, I think this term is clear, that damage accidentally caused to the laptop, is covered.

Again, under the definition section of the policy it states:

'Gadgets can include: Mobile Phones, Smart Phones, Laptops (including MacBooks or Custom Built laptops), Tablets, Digital Cameras, MP3 Players, CD/DVD Players, Games Consoles, Video Cameras, Camera Lenses, Bluetooth Headsets, Satellite Navigation Devices, PDAs, E-Readers, Head/Ear Phones, Wearable Technology (such as a Smart Watch or a Health and Fitness Tracker). Accessories are not included.'

So, I think its clear from this part of the policy that laptops are considered to be gadgets. Coupled with the accidental damage definition, it appears that gadgets (including laptops) are covered for accidental damage. I would've thought if this wasn't the case, just as accessories are mentioned not to be included, then I think it should've been made clearer that laptops weren't covered either.

Where the issue appears to arise is that still under the definition section it states:

'under this policy. Laptops (including MacBooks or Custom Built laptops) are not covered for Breakdown or Accidental Loss.'

But this part of the policy doesn't appear to exclude accidental damage. I say this as within the definition section, breakdown, accidental damage and accidental loss are all defined. So, just referring to breakdown and accidental loss only, I can see how this would be confusing for a consumer. And how a consumer would have thought that accidental damage of laptops would be covered.

On page three of the policy, there are a few mentions of gadgets that will be covered. For instance, if they are taken abroad or for accidental damage, theft, accidental loss and breakdown. Again, gadgets have been defined as including laptops. I can see how this would have lead Ms G and Mr G into thinking their laptop was covered.

Under the section that is entitled *'what we will not cover'*, it states:

'Any claim for a laptop under the Accidental Damage or Breakdown cover.'

Although, this term states that the laptops aren't covered, I think that given the previous terms conflict with this term, as they appear to suggest that laptops are covered. I can see how this would be confusing.

In addition, I accept it is mentioned under the special exclusions applying to accidental damage that laptops are not covered. However, I've listened to the call recordings and although in the first call recording Amtrust maintains its position that laptops are not covered. The second call recording accepts that the terms are unclear and misleading.

Given that the policy highlights cover for gadgets and defines gadgets to include laptops, I'd expect a significant limitation to this cover to be more clearly explained. And I don't think it's reasonable to then rely on subsequent terms that indicate that accidental damage cover doesn't apply to laptops. I feel that this is further backed by comments made by Amtrust in the second call recording that supports that the policy terms and conditions are ambiguous.

I've considered the impact of this event on Ms G and Mr G. They have said that they would like Amtrust to accept the claim and repair the damaged laptop. Currently, I agree that the policy terms are misleading and as such Amtrust ought to accept the claim and repair the laptop, which I think is fair in the circumstances. Amtrust ought to also pay Ms G and Mr G £100 compensation, for the trouble and upset caused.

Responses to my provisional decision

Ms G and Mr G accepted my provisional decision. Amtrust also accepted my provisional decision.

As both parties have now accepted my provisional decision, my final decision will be the same as the provisional decision.

Putting things right

To put things right, I direct Amtrust as outlined below.

My final decision

For the reasons given, my final decision is that I uphold this complaint.

Amtrust Europe Limited to:

Amtrust Europe Limited to accept the claim and repair the laptop.

Pay Ms G and Mr G £100 compensation for the trouble and upset caused.

Amtrust Europe Limited must pay the compensation within 28 days of the date on which we tell it Ms G and Mr G accept my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr G to accept or reject my decision before 8 February 2024.

Ayisha Savage
Ombudsman