

## The complaint

Mr G complains about the settlement he's been paid by Chaucer Insurance Company Designated Activity Company for a personal belongings claim he made on a travel insurance policy.

## What happened

In 2022, Mr G made a claim on a travel insurance policy after he lost a pair of reading glasses he'd bought in 2019. Ultimately, Chaucer settled Mr G's claim but it made a deduction of 30% to represent wear and tear.

Mr G was unhappy with the deduction Chaucer had made because he felt it was unfair. He said he'd had two identical pairs of glasses, which he kept in separate places. And he didn't think it had been reasonable to make such a wear and tear deduction for the glasses given the frequency with which he'd used them. He asked us to look into his complaint.

Our investigator thought Mr G's complaint should be upheld. He didn't think Chaucer had shown it was fair for it to make a deduction for wear and tear. So he recommended that Chaucer should pay Mr G the full value of his claim, together with compensation.

I issued a provisional decision on 2 February 2024 which explained the reasons why I didn't think Chaucer had settled Mr G's claim unfairly. I said:

*'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr G's policy and the available evidence, to decide whether I think Chaucer treated him fairly.'*

*I've first considered the policy terms and conditions, as they form the basis of the contract between Mr G and Chaucer. Mr G made a claim, which Chaucer settled in line with the baggage section of the policy. This explains how Chaucer will settle claims and says:*

*'You are covered up to the amounts shown in the benefits table, **after making reasonable allowance for wear, tear and depreciation** for the loss or theft of, or damage to your baggage and your valuables, subject to the total limit for all valuables and the maximum amount per item, pair or set as shown in the benefits table.'* (My emphasis added).

*It's common ground that Mr G bought the glasses in 2019. He says that they were one of two identical pairs, which he kept in two different locations. He says he only needed the glasses for reading.*

*Chaucer has provided us with evidence which shows how it calculates deductions for wear and tear. In this case, it's applied a 10% deduction for each year Mr G had owned the glasses. So I find it's shown it deducted 30% of the replacement value of the glasses in line with its terms and guidance.*

*Mr G lost the glasses and said he doesn't have any photos of him wearing them, so I can't*

*say with certainty what condition they were in. Understandably (and obviously), Chaucer didn't have an opportunity to assess the glasses before it accepted and settled the claim to assess whether a 10% per annum deduction was fair. I've looked carefully at the photos of Mr G's spare pair of glasses and I accept that they look in reasonably good condition with little visible wear and tear. It's possible that Mr G's lost glasses were in a similar condition, although it's also possible that they had suffered wear and tear over time. I've considered this point carefully when deciding what I think is fair and reasonable in all the circumstances.*

*However, as I've said above, the policy terms entitle Chaucer to make a deduction for wear and tear and generally, I don't think it's unreasonable for an insurer to do so where the terms allow it to do so. And generally, I don't think a 10% wear and tear deduction per year is unfair. Based on the evidence it had available, I don't think Chaucer assessed Mr G's claim unreasonably.*

*I also need to bear in mind that Mr G seems to have paid £218 in total for the two pairs of glasses (he says he got both identical pairs on a buy-one-get-one-free offer). He still has one of the pairs he purchased at that time. It's entirely possible that the glasses he still has are the pair he 'paid for'. However, Chaucer calculated the settlement based on the total purchase price of £218, rather than calculating settlement using a value of £109 to represent the effective cost of one of the pairs of glasses. And so in these circumstances, I don't think it would be fair or reasonable for me to direct Chaucer to step away from the policy terms and pay Mr G the full value of his glasses.*

*Overall then, I currently think Chaucer has settled Mr G's claim fairly.'*

I asked both parties to send me any additional evidence or comments they wanted me to consider.

Neither Chaucer nor Mr G had anything further to add.

### **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.

Having done so, as neither party have provided me with any substantive new evidence or further comments, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 April 2024.

Lisa Barham  
**Ombudsman**