

The complaint

Mrs S complains Great Lakes Insurance SE unfairly declined a claim she made for theft of gadgets from a holiday apartment.

What happened

Mrs S made a claim for stolen items from her holiday apartment. She said the property was locked, there was no sign of a forced entry, but clothes, gadgets and other personal items were taken.

Part of the claim, relating to some personal items was covered, but Great Lakes declined Mrs S' claim for the gadgets. It said as there was no evidence of forced or violent entry, cover was excluded for those items.

Mrs S complained, she said the local police had confirmed the key was likely cloned, as this is common with thefts from holiday apartments in that area. Great Lakes didn't agree to change its position and so Mrs S brought her complaint to the Financial Ombudsman Service for an independent review.

Our Investigator didn't think Great Lakes had acted unfairly in declining the claim. She said there was no mention in the police report that the keys to the apartment had been cloned. She said whilst she didn't doubt Mrs S had faced a genuine loss, that doesn't mean the policy will pay out as Great Lakes is entitled to rely on an exclusion of cover if it applies.

Mrs S asked for an Ombudsman to consider matters. She said she was the victim, and had been honest in making her claim, so should be covered. She said if she'd created some damage herself, the claim would've been paid which isn't right.

As the matter hasn't been resolved it has come to me to decide.

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.

As this is an informal Service, I'm not going to respond to every point made or piece of evidence referred to by Mrs S and Great Lakes, but I'd like to reassure both parties that I have read and considered everything provided.

When making a claim on an insurance policy, it is for the policyholder, so in this case Mrs S, to show she's suffered damage covered under the policy. If she can do so, then Great Lakes will need to meet the claim unless it can show it can fairly rely on a valid exclusion to decline it.

I think Mrs S has shown she has a claim for theft under the policy, and Great Lakes appears to accept the same given it has already settled part of the claim for stolen items under different sections of the policy. But Great Lakes is seeking to rely on an exclusion to decline the cover for the stolen gadgets, so I'll consider if it can fairly do so.

I've reviewed the policy terms of Mrs S' policy. I'm satisfied Great Lakes has quoted them correctly and that under the 'gadget' section of the policy, there is an exclusion which says *"we will not pay... Where the Gadget has been stolen from any motor vehicle or building"*.

Insurers are ultimately entitled to decide which risks they want to insure, and those that they don't. So, I'm not persuaded it's inherently unfair of Great Lakes to exclude cover for these items. And the exclusion continues that cover *will* be provided in certain scenarios. So it says gadgets stolen from a building will not be covered *unless "all protections are in operationand the Gadget(s) is concealed out of sight so that forced and violent entry causing damage is required. Evidence of the thief's damage must be provided with Your claim."*

Mrs S said there was no damage to the holiday apartment when she returned. The police report also makes no mention of damage, it simply says when it attended the property it was told there wasn't any. So Mrs S hasn't shown there was forced and violent entry causing damage, which means under the policy terms, the loss of the gadgets isn't covered.

Mrs S says the claim should be covered because the police informed her it was likely the key to the apartment had been cloned by the thieves, allowing them to enter the property without any sign of forced entry. And as they had a cloned key, there would be no damage.

Great Lakes has told this Service that it would consider any comments from the police in relation to cloned keys and reassess the claim. I consider this to be reasonable. But at the time the claim was made, and declined, there wasn't any evidence that a cloned key had been used. The police, at the scene, may have told Mrs S this, but it's not included in the police report. So I don't think Great Lakes has been unreasonable in not paying the claim based on the information it had when the claim was reported. So I'm not going to require it to do anything differently to resolve this complaint.

Mrs S also said the claim would've been met if she'd caused damage herself, but because she's been honest in her account, it has been declined, which isn't right. She also says a claim shouldn't be declined by semantics, and if other items taken have been accepted, then Great Lakes should accept she has a genuine loss and pay the gadget claim. However, when making a claim on an insurance policy the semantics – i.e. the words used, and terms of the policy are important. It is the contract that has been entered into between Great Lakes and Mrs S. And as set out above, Great Lakes is entitled to exclude cover for certain items if it considers it's not a risk it's willing to provide insurance for.

Mrs S may not have been aware of this term when she bought the policy – she's suggested as much. But any concerns she has over the sale of the policy would need to be raised by the seller or seller's agent. Great Lakes didn't sell the policy to her and so I can't consider any issues about the sale as part of this decision.

My final 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 Mrs S to accept or reject my decision before 20 February 2025.

Michelle Henderson
Ombudsman