

The complaint

Mr L is unhappy Financial & Legal Insurance Company Ltd turned down a claim he made on his motor legal protection insurance policy.

What happened

In 2023 Mr L was involved in a motorbike accident in Serbia. He sought assistance from his motor legal policy with Financial & Legal to recover uninsured losses. Financial & Legal turned down the claim as it said the policy only covered claims where the insured incident had taken place within the territorial limits. As the policy definition of territorial limits didn't include Serbia the claim wasn't covered.

Our investigator accepted some sections of Mr L's policy did cover Serbia. But the motor legal protection section didn't. So he thought Financial & Legal had correctly and fairly turned down the claim Mr L made.

Mr L didn't agree. He provided a copy of an Insurance Production Information Document (IPID) relating to the motor legal policy which he said showed it did cover Serbia. He thought Financial & Legal had provided documents from 2024 which was after the policy wording changed. And he queried why he would have taken out extra cover and then travel to a country his policy didn't cover.

So I need to reach a final decision.

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 rules and industry guidelines say Financial & Legal has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked at the terms and conditions of Mr L's policy. They say cover is provided subject to the "*the insured event taking place within the territorial limits and within the period of insurance*". And it defines the 'territorial limits' as "*Countries in the EU, EEA, Andorra, Isle of Man, Channel Islands and Switzerland*". That definition wouldn't include Serbia so I'm satisfied his claim does fall outside of the territorial limits the policy covers.

Mr L has suggested that wording doesn't apply to the claim he made. But the policy I've reviewed is dated March 2022. I've not seen evidence to show that wording altered until January 2024 (after Mr L made his claim). That revised wording did change the definition of 'territorial limits'. But a 'Notice of Variation' issued at the time said the previous wording was as I've already set out. The new wording defined the territorial limits as "*England, Wales, Scotland, Northern Ireland and Isle of Man*". So while that wording did further restrict the territorial limits it didn't change the position in relation to Serbia.

Mr L has also provided IPID information which he says shows the motor legal protection policy did cover Serbia. The second page of the document he's provided does indicate that. But I'm not satisfied that relates to his motor legal protection policy. Financial & Legal has provided a copy of the email he was sent in June 2023 containing policy information. The second page of the motor legal IPID he was sent at that time sets out the countries it covers and it doesn't include Serbia.

And the 'How do I cancel this contract' section of the motor legal IPID Financial & Legal provided (also on the second page of the document) says "*Legal Protection cover is cancelled if your associated motorcycle insurance policy is cancelled*". That wording doesn't feature on the IPID Mr L has provided. In addition, the cancellation section of his document says the premium will be refunded if the policy is cancelled within 14 days. Again that wording isn't on the IPID Financial & Legal provided. But it does feature on the second page of the separate personal accident cover IPID which also formed part of Mr L's policy. The rest of the wording (including the countries covered) also matches that document. So I think it's likely that's the cover which the document Mr L has provided relates to. In any case it's the policy terms which form the basis of the insurance contract and for the reasons I've already explained I'm satisfied the claim Mr L made isn't covered by them.

I accept Mr L clearly thought this policy would cover him for the trip he was making. And if he thinks there were failings in relation to the sale of the policy that's something he can raise with the broker responsible for that. But for the reasons I've explained I think Financial & Legal has correctly and fairly turned down the claim he made to it.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 March 2025.

James Park
Ombudsman