

The complaint

Mr W complains AmTrust Speciality Limited unfairly declined his gadget insurance claim.

AmTrust's been represented by agents. For simplicity I've referred to the representative's actions as being AmTrust's own.

What happened

Mr W travelled to the UK on a flight. One piece of checked in luggage was lost. Within the luggage was a virtual reality (VR) headset. A claim was considered for its loss against his AmTrust gadget insurance policy. The cover is an optional upgrade to a travel insurance policy. The main travel insurance is provided by a different insurer.

AmTrust declined the headset claim. It said the policy doesn't cover loss where a gadget is left unattended, any loss if the gadget is stored as checked in baggage and any claim where precautions aren't taken to prevent loss.

Mr W complained about the decline. AmTrust didn't uphold the complaint. It referred to his description of the headset being secured in suitcase luggage and lost during a flight. It said that confirmed it was lost when stored in checked in baggage on a plane. AmTrust explained the policy wording excludes loss where a gadget is stored as checked in baggage.

Unsatisfied with that outcome, Mr W referred his complaint to the Financial Ombudsman Service. He said he purchased insurance to be covered against this type of loss. To resolve his complaint, he would like the claim to be paid. Our Investigator found AmTrust had declined the claim fairly and in line with the policy terms. As Mr W didn't accept that outcome, the complaint was passed 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 here to every point or piece of evidence Mr W and AmTrust have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Insurance usually only covers loss in certain circumstances. I've considered the circumstances of Mr W's claim and the terms of his cover to decide if AmTrust's decline was fair and reasonable. Having done so, I find it was fair and in line with the terms of the policy.

This particular cover insures gadgets against theft, loss, accidental damage and malicious damage. However, it also lists specific circumstances where cover isn't provided. The list of exclusions includes *'What we will not cover - any loss if your gadget is stored as checked in luggage or in a bus, coach or train luggage, compartment or where it is stored in the*

overhead storage on a plane'. The exclusion was explained in the insurance policy's summary document provided to Mr W.

Mr W said the headset was in checked in luggage when lost. I'm satisfied the exclusion, by referring to checked in luggage, applies to flights. I'm satisfied the exclusion applies to the circumstances of the claim.

Mr W has debated whether the headset is a 'gadget'. The cover this claim has been made against insures only gadgets. It lists the items it covers including smart phone, laptops and consoles. It doesn't specifically refer to VR headsets. However, if the item claimed for isn't considered a 'gadget' then the claim isn't payable under this particular cover anyway, regardless of the above exclusion.

I've considered Mr W's circumstances, including the reason why the headset was taken abroad and placed in checked in luggage. But I'm satisfied the claim was declined in line with the terms of the policy and AmTrust's decision to do so was fair and reasonable. I realise this will be disappointing for Mr W but I'm not going to require AmTrust to pay the claim.

My final decision

For the reasons given above, I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 April 2025.

Daniel Martin
Ombudsman