

The complaint

Mr O has complained that Great Lakes Insurance UK Limited declined a claim he made on a travel insurance policy.

Mr O is the sole policyholder. He's been represented in making this complaint by his mother. However, for ease, I will just be referring to Mr O in this decision.

What happened

Mr O was abroad in July 2024 when his mobile phone went missing, either being lost or stolen.

Great Lakes declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator thought that Great Lakes had acted reasonably in declining the claim. Mr O disagrees and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, under section 16 for gadget cover, they state:

'What We will not cover applying to all sub-sections

We will not pay for:

8. Any claim where You knowingly leave Your Gadget somewhere Unattended and it is at risk of being lost, stolen or damaged. For example, where Your Gadget is left at the side of a sports pitch whilst You are participating in the sport.

10. Any claim where You have failed to take precautions to prevent Damage, Theft or Loss.'

The definition of 'Unattended' is:

'Means that the Gadget(s) are neither on Your person or within Your sight and/or reach.'

Mr O had fallen asleep on a bus for 30 to 40 minutes with the phone in his hand. When he awoke it was no longer there.

Mr O says he complied with the policy terms as the phone was not left out of his sight and an assumption has been made that the phone was not being looked after. However, I'm not persuaded that, being asleep, the phone was in his sight. If it had been, he would have seen what happened to it. However, he has no idea of how it left his possession. Overall, I'm satisfied that the circumstances meet the definition of the phone being unattended.

I appreciate that being asleep doesn't give someone the right to steal his phone. However, I don't consider that he took reasonable precautions to prevent its theft or loss.

I have a great deal of sympathy for his situation – he was tired and likely fell victim to a thief – and is out of pocket as a result. However, the matter at hand is whether that circumstance is covered under the policy terms, and I'm afraid to say that it is not.

I've thought about everything Mr O has said. However, on balance, I consider it reasonable that Great Lakes declined the claim, in line with the policy terms and conditions.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Ms O to accept or reject my decision before 25 April 2025.

Carole Clark
Ombudsman