

The complaint

Mr and Mr K complain that Inter Partner Assistance SA (IPA) declined their claim against their travel insurance policy. Reference to IPA includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mr and Mr K took out a single trip travel insurance policy and added gadget cover. The policy is underwritten by IPA.

Unfortunately, Mr K2's phone was stolen from him during the trip. He says his phone was stolen from his shorts' pocket during a crowded parade. He reported the matter to the police and to his network provider. Mr and Mr K made a claim against their policy. Mr K2 provided IPA with evidence his friend, Mr C, had given him the phone, evidence of ownership from his network provider and confirmation he'd reported the matter to the police.

IPA declined the claim. It said the policy doesn't cover second-hand phones, even if they are given as a gift. In IPA's final response, it said the policy covers devices bought as new or refurbished with a minimum of a 12 month warranty, and as Mr K's phone was second-hand, it wasn't covered by the policy.

One of our investigators looked at what had happened. She said Mr K2 hadn't provided IPA with evidence of ownership because he didn't have a gift receipt. The Investigator said IPA had declined the claim in accordance with the policy terms.

Mr and Mr K didn't agree with the Investigator. Mr K2 said the policy terms aren't clear in relation to second-hand phones. He said he'd provided confirmation from his network provider that it was his phone. Mr K2 said the policy doesn't say a phone given as a gift has to be specifically purchased for him. He says he's provided IPA with the police report following the theft of the phone. There was further correspondence between Mr K2 and the Investigator, which I won't set out here. The Investigator considered what Mr K2 said but didn't change her view. Mr and Mr K asked that an ombudsman consider the complaint, so it was passed to me to decide.

My provisional decision

On 4 June 2025, I sent the parties my provisional decision in which I indicated I intended to uphold the complaint. I said:

'The relevant rules and industry guidance say that IPA has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably.'

- *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. In general terms, insurers can decide what risks they wish to cover.*

- Subject to the policy terms, there's cover for the replacement of a mobile phone stolen during a trip. The relevant parts of the policy say as follows:

'Conditions and limitations

[...]

2. **Your gadget(s)** must not be more than 4 years old, must be purchased in the UK as new, or if refurbished, purchased with a 12-month warranty, and **you** must be able to provide **evidence of ownership** when it is requested. **Evidence of ownership** should include the make, model and IMEI/serial number of **gadget(s)** and must be in **your** name or **you** must be in possession of a gift receipt.'

'Evidence of ownership' is defined in the policy as '...a document to evidence that the **gadget(s)** **you** are claiming for belong to **you**. This can be a copy of the till receipt, delivery note, gift receipt or, if the **gadget** is a mobile phone, confirmation from **your** Network Provider that the mobile phone has been used by **you**'

In this part of the policy, there's nothing to suggest a phone received as a gift must be new. Here, the policy provides the phone must be purchased new in the UK but it doesn't say it must be purchased by the insured. There's no requirement in this part of the policy that Mr K2 must be the purchaser of the mobile phone. And the requirement in relation to a gift certificate is an alternative to evidence of ownership.

- However, in the **'Definitions'** part of the policy, it says as follows

'Criteria

-Means **we** can only insure **your gadget(s)** if **you** are able to provide **evidence of ownership**, and if they are:

1. Purchased by **you** as new in the UK, or;
2. Purchased by **you** as refurbished in the UK, as long as they were purchased with a 12 month warranty or;
3. Gifted to **you** as long as **you** are able to provide a Gift receipt, and;
4. Are not more than 4 years old at the time this policy is initially purchased, and;
5. Are in **your** possession and in good working condition (not accidentally damaged) and;
6. Have not previously been repaired using non-manufacturer parts.'

In this section of the policy, the phone must be purchased by the insured or, if it's a gift, the insured must be able to provide a gift certificate.

- I think there's been confusion in this case. When IPA declined the claim, it said second hand devices are not covered under the policy. That's not in fact correct as the policy covers refurbished phones which are, by definition, second hand.

- *Based on what I've seen, Mr K2 has satisfied the requirements under the 'Conditions and limitations' part of the policy. The phone wasn't more than 4 years old; I understand the model was launched in September 2022. Mr K2 has provided this service with an invoice showing the company Mr C is a director of bought the phone in September 2022. He's provided a signed letter dated 6 January 2025 from Mr C, which confirms he gave Mr K2 the phone. Mr K2 has provided evidence of ownership from his network provider. As I've said above, the requirement for a gift receipt is an alternative to evidence of ownership, so isn't necessary under this part of the policy.*
- *However, the 'Criteria' I've set out above from the 'Definitions' part of the policy provides that where a phone is a gift, the insured must be able to provide a gift receipt. The policy doesn't define 'gift receipt'. Collins dictionary says a gift receipt '...shows proof of purchased but leaves out the amount spent. It can be used to return goods given as a gift.' In the absence of a definition in the policy, I've proceeded on the basis of this definition of a gift receipt. Mr K2 doesn't have a gift receipt for the phone. Whilst IPA could decline the claim under this part of the policy, I don't think that would result in a fair outcome in this case and I'll explain why.*
- *There's ambiguity in the policy. The requirements in the 'Conditions and limitations' section of the policy are different from the requirements in the 'Definitions' section. So, I don't think it was clear to Mr and Mr K what the policy covered. In those circumstances, I don't think it's fair and reasonable for IPA to decline Mr K2's claim under one part of the policy when he's satisfied the requirements under another part of the policy.*
- *For the reasons I've explained, I think a fair and reasonable outcome requires IPA to settle Mr K2's claim in accordance with the remaining terms of the policy and pay interest on any settlement.*
- *Mr and Mr K have been caused distress and inconvenience as a result of IPA declining the claim. I think fair compensation for that is £200. In reaching that view, I've taken into account the nature, extent and duration of Mr and Mr K's distress and inconvenience caused by IPA's decision in this case.'*

Responses to my provisional decision

Mr K2 responded to say he accepted my provisional decision. IPA didn't respond.

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 looked again at the circumstances of this complaint. Neither Mr and Mr K nor IPA has provided any fresh information or evidence in response to my provisional decision. I therefore find no basis on which to depart from my earlier conclusions. For the reasons I've explained, I don't think IPA acted fairly or reasonably in declining the claim.

Putting things right

In order to put things right, I direct IPA to:

- Settle the claim, in accordance with the remaining terms of the policy.
- Pay interest on the settlement at the simple rate of 8% per year from one month from the date of the claim, to the date of settlement.
- Pay compensation of £200 in relation to distress and inconvenience.

HM Revenue & Customs requires IPA to take off tax from this interest. IPA must give Mr and Mr K a certificate showing how much tax it's taken off, if they ask for one.

My final decision

My final decision is that I uphold this complaint. IPA should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mr K to accept or reject my decision before 21 July 2025.

Louise Povey
Ombudsman