DRN-5755770

## The complaint

Mr K complains about how AmTrust Specialty Limited dealt with his gadget travel insurance claim. My references to AmTrust include its claims handling agent.

## What happened

Mr K had a gadget travel insurance policy insured by AmTrust. His laptop was damaged on his trip from abroad to the UK and he claimed on the policy for the laptop to be repaired or replaced.

AmTrust declined the claim. It said Mr K had told it his laptop was damaged during flight turbulence while it was in his hand luggage in the plane's overhead locker. The policy didn't cover a claim if the laptop was in hand luggage stored in an overhead locker.

Mr K complained to us. In summary he said:

- On the claim form he'd said the damage to the laptop may have occurred during turbulence on the flight. But that wasn't a definitive statement, just one possible explanation based on timing and circumstances. He'd also said he'd been in various places where the damage could have occurred – travelling from home to the airport, in crowded airport queues, during baggage handling or transit at the transfer airport, on the flight to the UK, at immigration or even while in the taxi from the UK airport to his destination.
- AmTrust unfairly focused only on his 'speculative' comment that the laptop was damaged while in the overhead locker without any direct proof that the damage occurred there. He hadn't said the laptop was damaged in the overhead locker, only that it may have been damaged during transit possibly during turbulence.
- He thought AmTrust was 'framing' questions to fit the exclusion. It had asked him a question designed to obtain an answer that 'triggered' an exclusion clause, which gave a biased claim assessment.
- The claim process took over a month with AmTrust giving a claim rejection that didn't address his arguments or evidence.
- He thought AmTrust had breached 'Consumer Duty', he'd been treated poorly and AmTrust unfairly used policy technicalities to deny his valid claim.
- He wants AmTrust to pay him the cost of the damaged laptop. He would also like compensation for his time spent and inconvenience caused by AmTrust's unfair handling of his claim. He detailed how he'd been financially and emotionally affected.

Our Investigator considered AmTrust had acted reasonably in declining the claim.

Mr K disagrees and wants an Ombudsman's decision. He added:

- The policy had been mis-sold as the exclusion undermined that the policy was to insure against damage during travel. The exclusion wasn't highlighted to him during policy purchase, nor explained clearly, and was 'buried' in the policy terms.

- AmTrust hadn't acted in line with the Financial Conduct Authority's (FCA) 'Principles for Businesses' nor consumer protection legal requirements, and he detailed why.

Our Investigator said Mr K would first need to raise his concerns about the sale of the policy with AmTrust as it needed the opportunity to address the concerns before we could look at the matter.

**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.

This decision is about whether or not AmTrust fairly and reasonably handled and declined Mr K's claim. He's said he also thinks the policy was mis-sold. If mis-sale continues to be a concern for him then he will need to first complain to the business that sold him the policy. If the parties can't agree then Mr K can make a separate complaint to us about that matter.

I've considered all the points Mr K has made but I won't address all of the points in my findings. I'll focus on the reasons why I've made my decision on this complaint and the key points which I think are relevant to the outcome of this complaint.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

The policy covers accidental damage to a laptop, subject to the policy terms, but the policy wording specifically excludes:

> *'any claim when the Gadget is stored in overhead storage (We will not cover a Gadget in Your hand luggage which is stored in an overhead locker)'.*

No travel insurance policy covers every scenario a consumer may face. The policy cover is subject to terms and conditions and the policy wording sets out what risks an insurer is prepared to insure. AmTrust doesn't want to insure the risk of accidental damage occurring to a gadget in hand luggage which is stored in an overhead locker. I'm satisfied that the policy exclusion is clearly set out in the policy terms under the heading *'What is not covered'*.

I need to decide if AmTrust reasonably relied on the exclusion to decline the claim.

On the claim form Mr K was asked for an incident description and he said:

> *'during a period of turbulence on the flight, my (name of type of laptop) appears to have sustained damage, which I only discovered upon leaving the airport on the way and powering it on. The screen is completely non-functional'.*

AmTrust could reasonably understand from Mr K's description that the laptop was probably damaged while on the flight due to flight turbulence.

AmTrust asked Mr K a follow up question, '*Where on the plane was your (name of type of laptop) stored?'.*

Mr K's response was:

> *'My (name of type of laptop) was stored in my carry-on bag, which was placed in the overhead compartment directly above my seat. I ensured it was securely packed before the flight. When I retrieved the bag after landing and walked towards the immigration check and taxi, I noticed the (name of type of laptop) was damaged when I was waiting for a taxi at (name of London airport) taxi point'.*

I'm satisfied AmTrust could reasonably understand from what Mr K told it when he first made the claim that the laptop was in his hand luggage, which was placed in the plane's overhead compartment, where it was probably damaged due to flight turbulence.

When AmTrust declined the claim Mr K told it there were other possible places during his journey that the laptop could have been damaged. But I think AmTrust can reasonably understand that the initial evidence Mr K gave about the claim, before he knew about the claim decline, is most likely to be the most accurate description of what happened.

Mr K says there's no definite proof that his laptop was damaged by turbulence while in the plane's overhead locker, which I accept. But from what he told AmTrust, before he knew about the claim decline, I think AmTrust reasonably concluded it was more likely than not that was when and where the damage occurred.

I don't agree with Mr K's suggestion that AmTrust's question, '*Where on the plane was your (name of type of laptop) stored?* was 'framed' to fit the exclusion. It's an open, not leading question, that AmTrust reasonably asked him to find out more about the claim circumstances.

I've seen no evidence to support Mr K's suggestion that AmTrust didn't act in line with the FCA's Consumer Duty or other regulatory requirements. I've seen no evidence to support that AmTrust acted contrary to consumer protection provisions.

Overall I'm satisfied AmTrust fairly and reasonably relied on the exclusion to decline the claim.

Mr K is unhappy about the time AmTrust took to decide his claim. AmTrust took about a month from the time he made his claim to inform him of its decision and answer his complaint, which I think was reasonable. AmTrust's response to his complaint wasn't as detailed as Mr K wanted but it adequately set out the reasons for its decision.

Mr K has been upset about how AmTrust dealt with his claim but as I'm satisfied AmTrust reasonably declined the claim I can't fairly tell it to accept his claim or make any payment towards his damaged laptop. I only award compensation for distress and inconvenience when that's been caused by the unreasonable action of an insurer. As I don't think AmTrust acted unreasonably there's no basis for me to say it has to pay compensation to Mr K.

## My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 October 2025.

Nicola Sisk
**Ombudsman**