

## The complaint

Miss B is unhappy that Great Lakes Insurance UK Limited (“Great Lakes”) declined her claim under the fraud exclusion of her contents insurance policy.

## What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

In May 2024 Miss B claimed under her policy following the theft of her handbag while on holiday. She explained that she had taken off her jewellery and put it in her handbag for safekeeping while visiting a tourist attraction. But the handbag, itself worth around £7,000, was stolen with £11,000 of jewellery inside. Miss B said there was also over £1,000 in cash inside the bag, and other designer items. She reported the theft to the police and provided Great Lakes with a copy of the report.

Great Lakes looked into the claim and, in doing so, it identified that Miss B had not declared previous claims when she bought the policy. Great Lakes said that if she had declared the seven previous claims she’d made over the last five years her premium would have higher. Therefore, Great Lakes said it would only pay a percentage of the claim.

On further investigation, Great Lakes found that a premium brand keyring included in Miss B’s claim had also been included in a handbag theft claim settled in 2023 by her previous insurer. Miss B explained that she’d had two of the keyrings, but Great Lakes was not persuaded by her evidence.

At Great Lakes’ request, Miss B provided proof of ownership of a bangle, watch, ring and handbag, all of which were specified items in her policy schedule. Again, Great Lakes wasn’t persuaded by the evidence, and it thought she’d exaggerated the claim.

On completion of its investigation, Great Lakes declined Miss B’s claim under the fraud exclusion.

Miss B complained. She said she’d provided everything she had to support her claim, including the police report, photos of her wearing the items, and flight tickets proving she’d travelled to collect the watch. Miss B said she’d inherited the ring, and a relative had bought the watch on her behalf, so she couldn’t provide proof of purchase.

On 2 June 2025, Great Lakes issued its final response to Miss B’s complaint in which it provided reasons for declining the claim. Great Lakes said that Miss B’s account of events and losses had been inconsistent, her description of possessions changed suggesting they’d been exaggerated, and her family members were unable, or unwilling, to help with proof of purchase.

Great Lakes cited the policy exclusion under which it declined the claim as follows:

*Fraud*

*If dishonesty, exaggeration or false documentation is used by you or your family or anyone acting on behalf of you or your family to obtain or support:*

- *A claims payment under your policy,*
- *Cover for which you do not qualify, or*
- *Cover at a reduced premium,*

*All benefits under this policy will be lost, the policy may be invalid, you may not be entitled to a refund of premium and legal action may be taken against you.*

*How to make a claim*

*If possible, have as much information and evidence as possible about the loss and damage which is the subject of your claim. We may ask for proof of ownership of property and items, valuations for items, estimates for repairs and/or receipts for replacements items.*

Unhappy with the response, Miss B brought her complaint to us.

Our investigator didn't think Great Lakes had treated Miss B unfairly by declining the claim. He said that based on the reasons it gave, Great Lakes had reasonably relied on the policy exclusion. Therefore, our investigator didn't think there was anything for Great Lakes to put right and he didn't uphold Miss B's complaint.

Miss B didn't agree. She provided her evidence again, and highlighted areas where she said Great Lakes had reported matters incorrectly. For example, she said Great Lakes had claimed she'd said the watch was a gift when in fact she'd paid for it herself. Our investigator responded to several further communications from Miss B, and he confirmed that Great Lakes had incorrectly reported the watch as a gift. But he remained of the view that Great Lakes had declined the claim in line with the policy. Miss B remained unhappy with the investigator's view and she asked for her complaint to be referred to an ombudsman.

So 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.

Having done so, and while I realise this will disappoint Miss B, I've decided not to uphold her complaint for broadly the same reasons as our investigator.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly, and that they mustn't turn down claims unreasonably.

The policy sets out the detail of the contract between Miss B and Great Lakes. The policy schedule shows that Miss B had specified four items for cover, totalling £18,000. All four items formed part of her claim. So I've considered the evidence to decide whether, in the circumstances, Great Lakes fairly declined Miss B's claim for the reasons it gave and in line with the policy.

To be clear, I'm only looking at circumstances and evidence provided up to the date of Great Lakes' June 2025 final response to Miss B.

When Miss B made her claim, it was her responsibility to show that she'd suffered a loss

covered by her policy, and the policy sets out that Great Lakes may ask for evidence to help validate a claim. Therefore, it was reasonable, and in line with the policy, that Great Lakes asked Miss B for proof of ownership.

For Great Lakes to decline the claim, it would need to show that a policy exclusion applied and that it was fair to rely on it in the circumstances.

From the outset I must be clear that I'm not deciding whether Miss B made an exaggerated or fraudulent claim. Rather, my remit is to decide whether it was reasonable for Great Lakes to decline the claim under that policy exclusion, for the reasons it gave, based on the evidence, or the absence of evidence available.

### **Keyring**

Although Great Lakes didn't decline Miss B's claim because of her failure to disclose previous claims, it seems that identification of these prompted further investigation. One of the undisclosed claims was for theft of a handbag while on holiday and, on receipt of evidence from the previous insurer's settled claim, Great Lakes identified that the same premium brand keyring was part of that claim.

When Great Lakes asked Miss B to explain why her claim included a keyring identical to that settled as part of a previous claim, she said that two keyrings had been bought around the same time – one for her and one for her mother. Miss B said hers was stolen the previous year while on holiday, so her mother gifted her the second keyring. Great Lakes said Miss B's account of events changed when asked for more information. It said she initially reported she'd bought both and gifted one to her mother. Great Lakes said Miss B then said they'd been bought around the same time, later stating that she bought hers online while her mother bought her own in-store.

In respect of proof of purchase, Miss B provided a copy of her online purchase delivery confirmation which included an image of the keyring. The same proof of purchase was provided to the previous insurer for claim settlement. Therefore, Great Lakes considered that Miss B had claimed for the same item twice. I note that Miss B explained she'd only provided her proof of purchase to show what the keyring looked like. While that may be the case, it remains that she was unable to demonstrate ownership of two keyrings and she presented the same evidence for both claims.

I have no reason to doubt Miss B's account of how she came to own two keyrings. But in order for Great Lakes to be satisfied that her claim was for a second keyring, it required evidence of ownership. In the absence of that evidence, I'm persuaded that Great Lakes reasonably declined Miss B's claim under the policy exclusion for exaggerated or fraudulent claims.

## **Watch**

There are two parts to this element of complaint. Firstly, Great Lakes considered that Miss B had provided inconsistent accounts of how she came to own the watch. It recorded that she'd said it was a gift. However, this matter has been clarified and Great Lakes confirmed that Miss B never told them it was a gift.

However, Great Lakes remains of the view that Miss B has not demonstrated paying for the watch. She reported that a relative bought the watch on her behalf because a discount was available. I note that she reported the discount as being for a limited period, which is why a relative bought it on her behalf. Miss B also reported that the discount was for first time buyers. Regardless of the reason, Miss B provided a photo of the receipt showing the purchase of a watch in local currency discounted from the equivalent of around £4,000 to £3,600.

Great Lakes asked for evidence that Miss B reimbursed her relative. Miss B provided evidence of her flight for the date when she travelled to collect the watch, and she described paying in cash using money from her mother's "under mattress money". While that may be the case, I think Great Lakes could reasonably expect to see some evidence that Miss B had paid for the watch given that she'd confirmed it wasn't a gift. Miss B explained why her relative was unable to provide evidence to support her claim, and I'm sorry to hear about the circumstances. But looking at the evidence presented to Great Lakes, I can understand why it appears that Miss B is simply claiming for a watch purchased by someone else with no evidence that she ever owned it. And I note that she had already added it to her policy as a specified item prior to her collecting the watch.

Based on the evidence, I cannot reasonably conclude that Great Lakes declined the claim unfairly under the policy exclusion for claim exaggeration or fraud.

## **Other items**

I've noted the circumstances and detail regarding the handbag and its contents. However, I see no benefit in repeating the detail for each and every item of the claim. That's because, even where Miss B has demonstrated ownership, I've already concluded that Great Lakes reasonably declined the overall claim for the reasons it gave.

As I said earlier, I am not concluding that Miss B's claim was exaggerated or fraudulent: I am simply saying that I think Great Lakes declined the claim reasonably based on the evidence available to it. And I have not identified anything in the evidence to suggest that Great Lakes treated Miss B unfairly.

I note that in its final response, Great Lakes said it would consider other evidence. If Miss B is able to provide any further evidence to support her claim, she may wish to present that to Great Lakes for further consideration. For example, any evidence of the cash payment into her relative's account, or a bank statement showing her mother's in-store purchase of the keyring may be of assistance. However, it is a matter for Great Lakes to decide whether any evidence Miss B provides meets its standard for proof of ownership.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Miss B's complaint. Therefore, I make no requirement of Great Lakes Insurance UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 16 February 2026.

Debra Vaughan  
**Ombudsman**