

complaint

Mr T trading as P has complained that Hiscox Insurance Company Limited (Hiscox) refused to pay out on a claim he made on his camera insurance policy.

background

I issued a provisional decision on this complaint in January this year. An extract follows:

“Mr T took out a camera insurance policy with Hiscox in October 2016. In December 2016 Mr T was travelling abroad when he says his camera equipment was stolen from the property he was renting. He reported the matter to the police and flew back home early.

He made a claim to Hiscox for his stolen camera equipment. Hiscox appointed a loss adjuster to investigate the claim which was worth around €40,000. The loss adjuster said there were inconsistencies with some of Mr T's evidence. So Hiscox refused to pay the claim.

Hiscox said it was concerned about the fact that Mr T had no permanent address at the country where he lived and his business address was a residential address. It was also concerned about the invoices he'd provided for when he bought the equipment. It said the owner of the business that sold him the equipment had a similar name to Mr T's and the same date of birth. It also said that that business stopped trading in January 2016 but the email address on the invoice wasn't registered until August 2016. This meant the email on the invoices it gave Mr T when it sold him the equipment in 2015 didn't exist at the time.

Hiscox was also concerned because the invoices made reference to Mr T's business, P, at a time when P didn't exist. It was first registered in July and then again in November 2016 under a slightly different name. And it said Mr T hadn't provided any bank statements to show large cash withdrawals to prove he'd bought the equipment.

Mr T said he bought the equipment for cash in a car park. He said it wasn't his responsibility to check whether the business that sold him the equipment had any issues. He also provided evidence which he says shows that he had travelled abroad with his camera equipment as he couldn't fly with such heavy cargo. And he provided evidence to show where he was staying at the time of the burglary as well as the police report. He also said he operated under the name he used for his business, P, before he formally registered it as a company with the relevant authorities. And that the fact that he bought the equipment before he formally set up the company, as an individual, doesn't mean he never owned it.

Mr T complained to us and wanted Hiscox to pay the claim and for alternative equipment for him to use. Our adjudicator who considered the complaint didn't think it should be upheld and said Hiscox was acting fairly.

Mr T wasn't happy so he asked for his complaint to be passed to an ombudsman.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The policy says Hiscox won't make a payment under the policy unless, among other things, its policyholder gives it any information it may reasonably require and co-operates fully with it. The policy also says if the policyholder tries to deceive it by giving it false information or by making a fraudulent claim it will treat this policy as if it had never existed.

I've asked for the police report, bank statements, booking information to be translated as they were in the language of the country Mr T had visited. The police report says that Mr T was the victim of a burglary and lists the camera equipment that was taken from him. And this broadly matches what he has claimed for. He has also provided two letters which he says are from his bank accounts abroad which show large money withdrawals. The letters say a large withdrawal was made in May 2015 and another one in December 2015 which match the dates Mr T bought most of the equipment he's claimed for. And he's also provided a document which says that he travelled to the country where the burglary happened by car because he had heavy equipment which was worth what he claims his camera equipment was worth.

I asked Mr T why he hadn't insured the equipment until October 2016 despite owning it since May and December 2015. And I also asked him why he only insured it for its full value when travelling abroad but only insured €2500 worth of equipment while in his business premises.

Mr T said he has his equipment with him most of the time so he didn't think he needed insurance until he decided to travel abroad with it. He said he considered that his house was the safest place to keep it in. He said the main reason for taking out the insurance policy was the trip abroad. He said he was mostly worried his equipment might be damaged because there was a risk of slipping due to bad weather and he was also worried about car theft. He said he explained this to his broker. He said he'd also asked for insurance for one month but the price wasn't much less than yearly insurance. Mr T also said that the amounts he insured the equipment for were suggested by the broker.

Mr T has provided emails between himself and the broker where the broker said she would ask Hiscox whether it would extend the policy to cover the higher value items and also to check the amount it would cover the equipment for if left in an unattended vehicle. The broker also asked if the vehicle would be alarmed and Mr T said the car would be a rental so it would have a standard alarm. Mr T then listed all the equipment he wanted to insure. He said the highest value equipment was the equipment he travelled with and it was worth around €37000. The equipment he doesn't travel with and which he mostly uses in his studio is only worth around €2500.

Overall Mr T has provided documentation which shows he withdrew large sums of money before he bought the equipment and he also provided a police report which says those items were stolen from him. He also provided reasonable explanations for why the items were insured not long before he travelled abroad and has shown that the broker and, I expect also, Hiscox were aware of the type of equipment he owned, its value and also the fact that he was going to travel abroad with it. And Hiscox agreed to cover him and from what I can see it didn't require him to provide any evidence he owned the equipment when it insured him.

Hiscox has raised concerns regarding the documentation Mr T has provided. I think Hiscox was acting reasonably when it questioned why the sales invoices are made out to Mr T and P at a time when P didn't exist. And also regarding the details of the company who sold Mr T the equipment.

However, taking all the evidence into account I think it's more likely than not that Mr T owned the equipment he had taken out insurance for. And he showed that he withdrew large sums of money from his personal account which matches the dates the equipment was bought. And he has also provided a police report to show that the property he was at was burgled and that camera equipment which matches his own was stolen from the property. There may be questions as to the circumstances under which Mr T bought the equipment and there may be questions about the company that sold them to him. But overall I think that Mr T has done enough to show that he owned the equipment he insured and that it was stolen from him.

For the reasons above I think Hiscox should accept the claim and assess it under the terms of the policy.

my provisional decision

For the reasons above, I'm considering upholding this complaint and directing Hiscox Insurance Company Limited to accept Mr T trading as P's claim and assess it under the terms of the policy."

developments

Both parties acknowledged receipt of my provisional decision.

Hiscox didn't agree with my provisional decision and made a number of points including the following:

- It said it never contested that a burglary took place or said that Mr T was underinsured.
- The business Mr T bought his camera equipment from is based in a residential address. The owner of that business, who has a similar name to Mr T, doesn't seem to trade or live at that address.
- The business Mr T bought his equipment from is shown to be involved in building survey and survey trading equipment not in selling cameras and computer equipment.
- The person Mr T bought the equipment from doesn't seem to have a relation to the business that sold the equipment. But the person who does, has a similar name to Mr T, the same nationality and date of birth and striking resemblance to him.
- It's not been able to show that Mr T ever traded as P or another business he says he owned.
- He has not provided a single photograph taken with the equipment.
- P was registered as a company in July 2016 and the business that sold equipment not until August 2016- eight months after the final purchase.
- A further registration was found for P but after the insurance policy was purchased.
- It believes the invoices were produced after the fact by Mr T.
- The evidence of cash withdrawals isn't enough to show that that money was used for the equipment that was later stolen.
- It doesn't think Mr T's invoices are authentic, reliable or accurate. It says one of the invoices shows that two of the items had the same price and serial number. This can't be possible as the serial numbers are unique references allocated by the manufacturer. The email address in the invoice wasn't registered until eight months after the sale. Mr T never explained why the price and serial numbers are identical and why the details of the company that sold him the equipment isn't accurate.

- It doesn't accept that Mr T owned and was in possession of all the items.

I responded to Hiscox with the following:

- In relation to one of the addresses Mr T had provided, Hiscox's assessor had spoken to the residents and one of them knew Mr T and said she had helped him set up P.
- In relation to Mr T having a similar name to the owner of the business that sold him the camera equipment- my understanding is that they share a first name which is a very common first name in the country Mr T is from.
- In relation to one of the serial numbers being the same for two items, it seems this was a mistake and the correct serial number was provided to the broker by Mr T when he took out the policy.
- From Hiscox's own enquiries it seems the company that sold the equipment to Mr T was registered as a company before 2009, so before Mr T bought the equipment..

Hiscox responded with the following:

- Its assessor doesn't recall speaking to a resident. But it reconfirmed its concerns that P wasn't registered until after the date of purchase on the invoices provided by Mr T.
- The owner of the business that sold the equipment shares a name and has the same date of birth as Mr T. Also its enquiries suggest he might not exist as it hasn't been able to find him in the country where the transaction took place and he doesn't seem to have any association with the address linked to the business that sold the equipment.
- It feels that if the serial numbers provided to the broker are different to those on the invoice this casts further doubt on the validity of the invoice.
- It doesn't dispute the registration of the company that sold the equipment. But its enquiries established that its website/domain wasn't registered until after Mr T bought the equipment. The fact that the website/domain is on the invoices suggests that they couldn't have been produced on the stated date of sale.
- It can't rely on the validity of the invoices and Mr T hasn't provided any evidence that he owned the equipment. So it doesn't think it should be liable for this claim.

my findings

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 I see no reason to change the findings I made in my provisional decision.

I won't go over points I already responded to in my provisional decision but I'll go over issues that may require further clarification.

In relation to who spoke to one of the residents, this was the broker's director and not the assessor as I previously told Hiscox. But the broker wrote to Hiscox with this information on 27 March 2017 so it seems it was made aware of this information.

When Mr T took the policy out the questions asked by the broker included his address. He only provided a business and not a residential address. Hiscox said one of its concerns is that it couldn't locate a residential address for Mr T. But I think if it required one from Mr T it should've asked for this information before agreeing to cover him.

As I said in my provisional decision I thought Hiscox had raised some valid points but overall I felt that Mr T had provided enough evidence to show that, on balance, he owned the equipment he had taken out insurance for. I said that Hiscox should now assess the claim under the terms of the policy. This means that I don't think it currently has enough evidence to turn the claim down. But if, when assessing the claim, it gets further evidence which it feels enables it to turn the claim down under the terms of the policy it may do so. And if Mr T is unhappy about that he may complain to us.

my final decision

For the reasons above and in my provisional decision, I'm upholding this complaint and directing Hiscox Insurance Company Limited to accept Mr T trading as P's claim and assess it under the terms of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T trading as P to accept or reject my decision before 1 July 2018.

Anastasia Serdari
ombudsman