

complaint

Mr J and Miss K complain about the way in which U K Insurance Limited ('UKI') has handled their claim under Mr J's travel insurance and that it has refused to make any payment to them.

My references to UKI include its agents.

background

I set out the background to this complaint in my provisional decision, which forms part of this final decision.

I explained that as the claim was for items stolen from Miss K she would need to join in the complaint, which she's now done. So the extract from my provisional decision refers mainly to Mr J because he had brought the complaint to us about the claim under his UKI policy, which covers them both.

I said I intended to uphold this complaint in part, and I include an extract from my provisional decision here:

"Mr J and his fiancée Miss K were travelling abroad on an extended trip. Just before departing on a cruise to a remote area they took money from a cash machine. Shortly afterwards Mr J said that Miss K was pickpocketed by a group of people. They reported the crime to the local police and obtained a police report. Mr J also rang UKI to report the theft.

When they returned to the UK Mr J made a claim to UKI for the items that were stolen: cash, an iPhone and headphones. UKI asked for further information. It then turned down the claim because it said there had been inconsistencies in the value of money reported as stolen and the evidence provided for the headphones. It didn't think Mr J had satisfactorily explained these inconsistencies.

Mr J complained about the decision and the way in which his claim had been investigated. He said UKI had harassed him by asking the same question 20 times during one of the calls. He also complained about delays. UKI said sorry for a delay in contacting him of 10 working days but didn't have concerns about the handling of its calls with Mr J. He came to us saying that UKI had been inconsistent and misleading in the advice it had given him.

Our investigator thought UKI had reached a reasonable decision on the claim and hadn't treated him unfairly. So she didn't uphold the complaint. Mr J strongly disagreed so the complaint's come to me for review.

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.

Having done so I'm likely to uphold it.

UKI suggests Mr J exaggerated his claim to obtain a benefit he wasn't entitled to. This is a serious allegation that shouldn't be made lightly. So it's for UKI to provide persuasive

information that shows it is more likely than not that Mr J provided false information with a view to obtaining a benefit he wasn't entitled to.

I've also taken into account the law. In brief summary the law says that if an insurance claim is exaggerated then the insurer is entitled not to pay the entire claim, even if part of that claim is for a genuine loss.

The inconsistencies specified by UKI are around the amount of cash stolen and who it was stolen from. UKI also says Mr J couldn't show that Miss K had owned the headphones.

I'll summarise the key evidence here:

The police report lists the stolen items as US\$300, an iPhone worth 500 Euros and headphones.

When he submitted the claim Mr J gave UKI a bank statement showing consecutive cash withdrawals of US\$200 and US\$300 on the date of the robbery.

Immediately after the robbery Mr J called UKI's emergency medical assistance line to register the claim before they left on the cruise to the remote area. He said he and Miss K had been pickpocketed and had cash, a phone and some quite expensive headphones stolen. UKI asked him if he knew "roughly how much" cash had been stolen and he said about US\$300 or US\$350. UKI told him the policy limit of £250 per person. The mobile phone was covered under a separate policy. UKI asked him if he had a police report and he said he had. UKI told him to keep it safe for the claim which could be made for years after the event (as he was worried about time limits).

Mr J then spoke to UKI in early March 2018 after he and Miss K had returned from their trip. I've listened to that call. In summary:

- Mr J said the thieves had gone into Miss K's pocket, where she'd had cash, her phone and some headphones. The thieves distracted them and took everything from her pocket. UKI asked about how much money was taken and he said about US\$350. He said they'd split the money they'd taken out of the bank and they think it was about US\$350 although they'd taken out a lot more money than that.*
- UKI asked about the headphones, and Mr J said they were quite expensive and a present from Miss K's former partner. UKI asked if there was any proof of ownership such as a box, a warranty, a photograph of them in her ears. Mr J said he'd asked her about photographs and Miss K would have a look, and the value was about £600 to £700. UKI said the policy limit was £300 which Mr J said was a bit disappointing and he asked what would happen if Miss K couldn't find any photographs. UKI suggested going to the person who'd bought them but as it was an ex-partner could see that would be difficult. UKI said it would pass Mr J over to the mobile phone insurer.*
- UKI confirmed Mr J had reported the theft to the police and said there was a £500 limit on money and the personal effects limit was £300. Mr J said that was disappointing and they'd just "guesstimated" the amount of cash she had on her and the amount he had on him. He and Miss K had taken out a lot of money and he was guessing it was roughly that much. UKI asked what was on the police report and he said he'd put 500 euros – but didn't know why. He then realised that 500 euros was*

for the phone. UKI said it would usually go off what's on the police report. Mr J then said the police had put down US\$300, but it had only just happened and they had been in a state of shock. He couldn't remember saying that amount but must have said something around that figure. He said he was surprised he'd "underplayed" it, and asked what he could do about it. UKI said very little unless he could go back to the police as that was evidence. Mr J said his bank statement showed US\$1,000 had been taken out, and UKI said that didn't show how much was stolen. He mentioned that the police were translating as they didn't speak English. UKI's call handler said the only thing she could suggest was that he could put it in his covering letter, but she thought that at some point he must have said 300 otherwise the police could have put 800 or 1000. Mr J said again that he must have said something in the region of 300 but again said he was surprised he'd underplayed it and that they were using google translate.

- UKI then said he should send a brief description of what had happened and the costs he wanted to claim. He could say what he'd like to claim but UKI would usually go off the police report. He was asked to send in proof of the withdrawal and something to show ownership of the headphones. Mr J said that was the sticking point but a warranty/box/photograph of her with them? UKI said yes they could go online and show a replacement for that item as the photo doesn't show the item. It was better if he could provide something as he knows what she had.*

UKI referred the case for further validation as it was concerned about the evidence provided for the headphones.

UKI says that when it spoke to Mr J on 19 July 2018 he gave it different information about the claim again. I've asked to listen to that call but UKI says it is no longer available. Based on its internal note UKI says that when it asked him about the discrepancy in the money claimed Mr J said he'd been mugged and money had also been stolen from him. He said he'd forgotten about this. He couldn't confirm how or when the photographs were taken for the original headphones, or provide the original photographs. UKI thought the photographs were of two different headphones and noted they'd been taken in a shop.

On 20 July 2018 Mr J said he'd spoken with Miss K and the photographs had been sent to her by her ex-partner. Mr J couldn't provide any evidence to support this. He said he recalled the photographs supplied were of the headphones being claimed for.

On 24 July 2018 UKI said it wouldn't pay the claim because he'd not provided suitable evidence to show ownership of the headphones and because of inconsistent information provided about the money being claimed for. UKI considers that as a result of the changing circumstances Mr J was exaggerating the claim for his own gain.

Mr J has told us that his claim for the stolen mobile phone was accepted and paid.

I've carefully considered all the evidence. Having done so I make the following findings:

I'm not currently persuaded that UKI has done enough to show that Mr J exaggerated the claim for the stolen cash for the following reasons:

- Mr J said from the outset that he couldn't be sure of the exact amount stolen when Miss K was pickpocketed, but it was between US\$300 and US\$350. He's been*

consistent about that in both the initial notification of loss call and in the call made in March 2018.

- Mr J has provided evidence to show that money had been withdrawn on the date of the robbery. He provided a police report showing US\$300 was stolen and his explanation of what happened was consistent both in the initial notification call and the March 2018 call. I've not seen anything to show where he actually claimed US\$500, only that he sent in proof that cash had been withdrawn, as UKI had asked him to do. I've asked for details of any additional claim for cash he'd made but UKI has sent only the bank statement.*
- UKI says that Mr J told it that he'd been pickpocketed too and he'd forgotten about that. This is important evidence and the onus is on UKI to show that Mr J exaggerated his claim. But UKI has been unable to send us the call where he is alleged to have said that so that I can hear exactly what he said and the context in which it was said. It is also this call where Mr J says he was harassed by UKI's investigator and that he was asked the same question 20 times over.*

I don't think Mr J did enough to prove his claim for the stolen headphones, so I think UKI was entitled to reject the claim for the headphones:

- Mr J did provide consistent information that Miss K's earphones had been stolen. They were specifically mentioned on the police report, the first notification of loss call and in the March 2018 claim call. I think, on balance, the headphones were stolen and Mr J was entitled to claim for them.*
- But the policy does require Mr J to give UKI proof of ownership of the stolen item. Mr J was clear from the outset that it would be difficult for him to provide proof of ownership of the headphones, because they were a gift from Miss K's former partner. He says that he was asked to provide a box and a photograph of Miss K wearing the headphones and this is what he did. And there was a discussion with UKI about him providing something from the internet.*
- I think UKI was entitled to investigate this claim, as the photograph of Miss K wearing the headphones showed her wearing different ones from the one in the box she was holding up in a shop. He's explained that he thought he was doing what UKI had asked him. I'm not convinced that UKI properly considered the context in which Mr J had provided these photographs. UKI says he told it that she'd got the photographs from her ex-partner, but then he couldn't show that. I've not heard the call when he said that. Ultimately I think Mr J was trying to provide the information UKI had asked for. But I don't think there is any compelling proof of ownership so I don't think I can fairly require UKI to pay the claim for the headphones.*

UKI has accepted some delay in giving Mr J its claim decision. It took around three months for UKI to investigate the claim. I think UKI was entitled to investigate the claim and so I don't think there was unreasonable delay in this case. I know Mr J complains about harassment during the investigation call. It's unfortunate I can't listen to the call. But these conversations can often be robust and, on balance, even if UKI's repeatedly asked a question I don't think there's enough for me to make a finding of harassment.

If UKI has registered details of this claim and the alleged fraud against Mr J's name on any internal or external database then it should confirm in writing that it will be removed.

Finally, the claim concerns cash and earphones stolen from Miss K – even if the cash belonged to them both – so I think the complaint should be in Mr J and Miss K's joint names. I've asked our investigator to contact Mr J to arrange for Miss K also to be added to this complaint as a joint complainant. Provided Miss K does then so it's likely my decision and redress will be as set out below:

I intend to require U K Insurance Limited to pay Mr J and Miss K's claim for the US\$300 cash that was stolen, subject to the policy limit and any applicable excess. UKI must add simple interest to the claim payment from 6 March 2018 when Mr J made the claim to the date it pays him and Miss K for the stolen cash. I don't require it to pay their claim for the headphones or any compensation for its handling of the claim.*

I also intend to require UKI to confirm whether it has made an entry of alleged fraud against Mr J and/or Miss K's name and, if so, to confirm in writing that it has removed that entry from any internal or external database."

responses

Mr J arranged for Miss K to sign our complaint form. He thanked me for looking into the matter in detail and for partly finding in his favour. He wasn't aware of the possibility of any fraud registration, which was a significant concern.

Mr J said he'd done all he could to show he'd proved the claim by sending a photo of Miss K wearing the headphones and a box showing the brand – in line with UKI's request for proof of ownership. So he's unhappy and unclear why this aspect of the claim isn't being upheld, given I'd accepted that the headphones had been stolen.

UKI responded to say that it had found the 19 July 2018 call recording, and sent it to us. It said it was sure that the content of the call would change the outcome. We asked UKI to say whether it had registered any information against Mr J and/or Miss K's names but it's not responded.

We sent the call recording to Mr J for any comments. He has said, in summary, that the conversation is consistent with what he's set out previously. He was called out of the blue, while at work. He'd been told earlier that he could claim for other items and to provide the information that he had. Any slight inconsistency at the beginning of the conversation is based on that earlier, and conflicting advice. He provided the photographs in the format requested (jpeg), from an old WhatsApp message, and they didn't have the originals because they'd been taken by an ex-partner. He'd provided everything asked and UKI called him four months after the claim (and nine months after the incident) to ask for original photographs. UKI has used this information to delay and avoid paying the claim and to label him as making a fraudulent claim is outrageous.

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 still uphold it in part.

I've reviewed the complaint again in the light of all the information provided.

Now that I've listened to the July call recording I don't think the conversation supports UKI's case. Mr J had said from the outset of his claim that they weren't clear how much money was stolen, and he confirmed the majority was taken from Miss K. He'd also said from the outset that the police report had been made shortly after the theft and the situation had been traumatic.

During the call UKI told Mr J that he'd not reported the October theft to it until March. But that's not correct. And Mr J correctly says that he did report it on the night of the theft. I've heard the call when he reported it.

UKI asked Mr J about the photographs. He explained he'd provided the information that UKI had asked for, via Miss K and thought it was from a WhatsApp photograph from Miss K's ex-partner who had bought the earphones for her. He was unsure about it as it was several months since he'd sent the photographs.

I don't think UKI was very clear about how Mr J should send the photograph in a different format when he explained it had been taken from a WhatsApp message. That said, I think the concern UKI had was that the photograph of Miss K wearing the earphones was taken in a shop and the second photograph, also in a shop, showed her holding a box showing the brand. It's not clear to me that the photograph showed ownership of the earphones of the brand and type stolen. For that reason, I remain of the view that UKI fairly turned down the claim for the earphones.

For the reasons set out in my provisional decision I remain of the view that UKI should pay the claim for the stolen cash. It hasn't confirmed whether any details of the claim were registered on any internal or external fraud database, but for the avoidance of doubt it must remove any entry as set out below.

my final decision

For the reasons set out in my provisional decision and in this final decision I uphold this complaint in part.

Within 28 days of the date we tell it Mr J and Miss K accept this final decision I require U K Insurance Limited to pay Mr J and Miss K's claim for the US\$300 cash that was stolen, subject to the policy limit and any applicable excess. UKI must add simple interest* to the claim payment from 6 March 2018 when Mr J made the claim to the date it pays him and Miss K for the stolen cash. I don't require it to pay their claim for the headphones or any compensation for its handling of the claim.

I also require UKI to confirm to Mr J and Miss K in writing whether it has made an entry of alleged fraud against Mr J and/or Miss K's name and, if so, also to confirm to them in writing that it has removed that entry from any internal or external database.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Ms K to accept or reject my decision before 6 January 2020.

Amanda Maycock
ombudsman

*If UKI considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr J and Miss K how much it's taken off. It should also give Mr J and Miss K a certificate showing this if they ask for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.