

complaint

Mr S complains about Amtrust Europe Limited's refusal to meet his claim for three items under his personal possessions insurance policy.

background

Mr S lost a computer, mobile phone and a bracelet.

The mobile phone was only added to the policy a few days before the claim and so Amtrust said this wasn't covered, as there is a deferment period, which means that items aren't covered until 14 days after they are first registered under the policy. However, Amtrust said it would consider it anyway.

However, having looked at the whole claim, Amtrust said there wasn't enough proof of the ownership and value of the bracelet or computer. Mr S said the bracelet was bought from a relative for cash but there is no independent evidence to support this. Although an invoice was provided, Amtrust says this doesn't prove Mr S paid any money.

Amtrust also said there were discrepancies with the invoice Mr S provided for the computer. Amtrust tried to get in touch with the seller of the computer to clarify matters but couldn't do so. It also said that the IMEI number (the individual identification number given to each mobile phone) did not match the handset that Mr S was claiming for; and the company he said he bought the phone from had ceased trading before the invoice date.

Amtrust declined the whole claim on the basis that it thinks it's fraudulent.

Mr S accepted that he couldn't establish his ownership of the computer and therefore said he wouldn't pursue this part of his claim but still wanted the phone and bracelet claims met.

One of our adjudicators looked into the case. She thought that Amtrust was wrong about the IMEI number: she was satisfied the IMEI provided was for the phone Mr S was claiming for. But as Amtrust wasn't obliged to meet this part of the claim, as it was made within the deferment period she didn't recommend this be paid. And with regard to the bracelet, although Mr S has provided evidence of a money transfer, this isn't in his name and therefore she didn't think he had proved his ownership of this item.

Mr S disagrees. He says it's unfair to rely on the deferment period, as he didn't know about this and a claim can happen at any time. Mr S says he has proved his claim for the bracelet and phone. He says he gave cash to a friend in the UK and his friend sent the transfer to a relative abroad. He has provided a copy of his friend's bank statement showing the payment of cash. Mr S also provided a letter from the director of the mobile phone store, which said it had sold him a phone from its last batch of stock. Mr S says the computer invoice is now irrelevant, as he's no longer claiming for it.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr S provided an invoice as proof of his ownership of the computer showing a purchase price of £899. However, The VAT figure on the invoice is incorrect; the road name given as

part of the store's address is mis-spelt; and there's also no VAT registration number on the invoice. Amtrust also says the address given is actually for a dry cleaning shop, not a computer shop. Amtrust tried to contact the seller but was unable to as the telephone number on the invoice didn't work.

Mr S accepted that he couldn't prove his claim for the computer and effectively withdrew it. Amtrust says this part of the claim was fraudulent and effectively taints his whole claim. It seems to me that there is sufficient doubt about this to consider it to have been a fraudulent attempt to gain a payment under the policy that he was not entitled to. Mr S hasn't provided any explanation in response to any of the discrepancies identified, or any other reasonable proof of his ownership or value of the computer for which he was claiming.

Where any substantial part of an insurance claim is established to be fraudulent, then it can taint the rest of the claim and mean that an insurer is entitled to reject the entire claim, even if parts are genuine. This is the case even if the false part of the claim is effectively withdrawn, therefore this invoice is relevant to my consideration of the other parts of the claim.

In any case, I think there are reasonable concerns about the other parts of Mr S' claim as well, such that would mean I can't reasonably ask Amtrust to cover them as I don't think he has established that he has a valid insurance claim for those items.

Mr S provided an invoice from jewellers which showed him as the customer but at a business address overseas and which said he had paid in cash. Mr S says he paid a friend cash here so he could do a money transfer to a relative overseas to pay for the bracelet. He's provided a statement to show the transfer of a similar amount of money overseas but his name isn't on that statement. Amtrust queries why the invoice is in his name if he wasn't overseas to make the purchase himself and why his address on the invoice is a shopping mall. It also says he can't prove he paid for it. Mr S is asking us to accept his word about that arrangement. What he says is possible but where a consumer is asking us to accept their word for certain evidence, it is important that there is nothing that would cast doubt in their word. I don't think that on the current evidence that he has provided, he has established the ownership and value of the bracelet and so I can't reasonably ask Amtrust to pay the claim for this item.

The invoice provided for the mobile phone is from a company that went into liquidation two weeks before the invoice was dated. Mr S has provided a letter from the director stating that the sale was of the last batch of stock but it doesn't really explain how it issued an invoice when it had already ceased trading. Mr S did, however, provide a copy of a letter from his network provider confirming it had blocked the phone from use. However, even if I thought this was sufficient proof that Mr S owned this phone, there is doubt about how he acquired it and its value.

In any event, however, the phone was bought and registered under the policy within 14 days before the loss happened. The policy doesn't cover any loss within that first 14 days. Mr S has said that this is unfair but it is a clear policy term and I don't agree that it is unfair to restrict cover in this way for this kind of policy, which provides cover for several gadgets at once. Mr S also says that he wasn't told about this clause. I agree that he should have been told but I don't think it would have made any difference to the position he finds himself in, as I think he would still have continued with his policy.

my final decision

I don't uphold this complaint against Amtrust Europe Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 23 November 2015.

Harriet McCarthy
ombudsman