

The complaint

Mr J complains about QIC Europe Ltd's ("QIC") decision not to consider his claim further under his home insurance policy. He also complains about their delay when initially handling the claim and about them not preventing his laptop from being disposed of by their agent.

What happened

Mr J says, while removing a television from a bedroom, he accidentally dropped it causing damage to his laptop, a bed frame and the carpet and underlay. So, Mr J claimed against his policy. QIC explained, as part of their validations process, a claim investigator would need to attend Mr J's home wearing a body camera. Mr J wasn't happy about this and said he would allow them to take photographs but not to carry out any recording. QIC explained they require certain enquiries to be made as part of their validations process in respect of the claim. They said they've been unable to proceed with those enquiries because of Mr J's refusal to allow them to carry out those enquiries.

Mr J complained about QIC's handling of his claim. He said they were acting unfairly in insisting on the use of a body camera. He also said it took QIC six weeks to formally confirm his claim and he had to prompt them several times, they hadn't acted with integrity, and they disposed of his laptop without permission.

QIC responded and explained they hadn't delayed in the early stages of the claim, and they were waiting for further information from Mr J. They confirmed they acted swiftly to progress the claim and it wasn't delayed for six weeks due to any inaction on their part. In relation to Mr J's complaint about their integrity, they acknowledged that the job title of the author of an email sent to Mr J implied there was a fraud investigation ongoing. QIC apologised and explained the author is also a claim validations team leader and their correspondence should've been signed under this title as it related to the general claim validation process.

In relation to Mr J's concern about the use of body cameras, they said it's company procedure for agents to wear body cameras, which is for Mr J's protection as well as the agent. They said it ensures any possible allegations levied against them or potential for miscommunication can be either substantiated or denied. They said if Mr J doesn't co-operate and allow the agent to visit whilst using a body camera, then QIC are unable to progress the claim and he's also in direct breach of the terms and conditions of his policy. QIC said, at present, they're refusing to pay the claim under the 'Claims Procedures and Conditions' section, but this isn't the same as saying they're declining the claim.

In relation to Mr J's laptop and adapter, they said this was sent for review and they noted the hard drive had been removed by Mr J prior to the laptop being sent. They said, after the laptop was reviewed, it was established this was beyond repair, so they disposed of it. They said the principle of indemnity is a rule of insurance which says the insurer will only pay for the actual loss suffered by the insured. They said, due to the laptop not being in working order, there was no actual loss suffered by Mr J.

Our investigator looked into things for Mr J. She thought QIC had acted unfairly in not progressing the claim and recommended they should investigate Mr J's claim further without the need for body cameras, and also pay £600 compensation. She also recommended they settle Mr J's claim for his laptop. QIC disagreed so the matter has come to me for a decision.

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, I've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute.

Claim validation and progress

One area of dispute here relates to QIC's decision not to progress Mr J's claim on the basis they feel he isn't co-operating with their request for their claim investigator to wear a body camera when attending Mr J's home. So I've considered all the information to determine whether QIC have acted fairly here.

I can see Mr J queries why QIC haven't sent him a formal letter declining his claim. I think it's important to clarify here, it doesn't appear as though QIC have formally declined Mr J's claim. Rather, the parties appear to have reached an impasse. QIC say they aren't in a position to inform Mr J of a claim decision. They say their claim investigator needs to visit Mr J's home first to validate his claim, while wearing a body camera. They say, if Mr J doesn't co-operate and allow their claim investigator to visit his home while wearing a body camera, then they're unable to progress the claim and Mr J is also in direct breach of his policy terms and conditions.

The section of the policy QIC are referring to is headed 'Claims procedures and conditions' and says, "*You must co-operate with us...in investigating and assessing any claim or circumstances which may lead to a claim...*" It goes further to say, "*If you fail to meet one or more of these conditions, we will refuse to pay the claim or pay only part of the claim.*"

While the policy terms and conditions do require Mr J to co-operate with QIC's investigation and assessment of his claim, I've looked to see whether QIC have acted fairly in deciding they can't progress Mr J's claim unless he allows their claim investigator to attend wearing a body camera. QIC say the use of body cameras is company procedure, and not only for the protection of their customers, but also for the protection of their agents, including any possible allegations levied against them or potential for miscommunication. They refer to an extract from their privacy policy which relates to 'Body worn cameras'. This says, as part of their protocols, all QIC's agent's staff are provided with body worn cameras, the purpose of which is to provide security to their policyholders and employees.

It also says the footage will be used to understand the validity/content of insurance claims and may also be used as evidence should QIC have suspicions of fraudulent activity. It says all footage is encrypted and can only be accessed by a small number of senior staff within the business. It also says all recordings will be retained in line with their privacy policy.

I can see Mr J has serious concerns about the use of body cameras in his home. He says any recording will breach his human rights to privacy and also compromise his personal security and the security of his home. QIC say, while they appreciate the scepticism of some

customers to the subject of recording, they're confident in their ability to maintain the integrity of their own obligations to relevant General Data Protection Regulation ("GDPR") and the protection of customers data.

While I acknowledge QIC's company procedure allows their agents to use body cameras, and I also accept there might well be types of claims where the use of body cameras might well be helpful, I don't think it's reasonable, or necessary, in the circumstances of this case. I say this because the incident location is restricted to one room – in this case a bedroom. There's damage reported to the bed frame and carpet/underlay in this bedroom. Given the particular facts in this case, QIC haven't provided any reasonable or persuasive arguments for why an agent attending and taking photographs of the bedroom and damaged items won't be sufficient here – and I can see Mr J has proposed this. I accept it's usual procedure for an insurer to carry out enquiries in order to validate a claim – and that's what QIC are looking to do here. But, given the claim circumstances, and the fact that QIC have confirmed to Mr J they're making no allegations of fraud and they're only looking to validate information around the claim, I'm not persuaded it's reasonable in the circumstances for QIC to refuse to progress the claim based on Mr J's refusal to allow their agent to visit with a body camera.

So, taking this all into account I think it's fair and reasonable in the circumstances for QIC to investigate and consider the claim further, but without the use of body cameras. I recognise QIC have protocols, but I've decided this part of the complaint based on what I think is fair in the circumstances. The key reasons why I'm persuaded this is a fair approach here is because the incident location is limited to one room, and there are reasonable alternative options available to QIC to get the information they require without the need for body cameras. I can see Mr J remains concerned about data security. It's widely publicised there have been occasions where large companies have had their IT systems compromised and I can see Mr J raises this point. I don't believe that, in itself, is a reasonable objection to have as there will undoubtedly be claims where the use of body cameras will be necessary. But in this case, where I don't believe it's reasonable, proportionate or necessary in order for QIC to get the information they need, I can understand why Mr J has objected to this.

I understand QIC say, while the use of body cameras is there to help validate and speed up claims, the predominate purpose is to ensure the safety and security of their staff and policyholders, minimising the threat for accusations and threatening behaviour. I do acknowledge this, and I wish to assure QIC that I've taken this point into consideration. While I acknowledge there will be circumstances where due to a single issue or a combination of factors it will be necessary for an insurer to use body cameras, given the facts in this case, I haven't seen any information which persuades me it's reasonable here.

I can see the claim hasn't progressed for over a year due to the impasse. And given that I think QIC have acted unfairly in not progressing the claim due to their insistence in using body cameras, I think QIC should pay compensation to Mr J for the upset and frustration caused to him. It's clear from communication between Mr J and QIC that Mr J is becoming increasingly frustrated at the fact that his claim isn't progressing due to the dispute – and I think this was exacerbated when, following proposals put forward by Mr J in order to reach a compromise, QIC maintained their stance about the use of body cameras. The whole process has clearly been very upsetting and frustrating for Mr J as the claim has taken significantly longer than I believe it should have – and I think it's important to recognise that Mr J still doesn't have a claim decision from QIC. So, taking into account the impact on Mr J, I think it's fair and reasonable in the circumstances for QIC to pay £600 compensation.

Mr J says he's concerned about QIC's delays in the early stages of his claim – he says it took QIC six weeks to initially respond and he had to prompt them. I can see Mr J reports the incident to QIC and they contact Mr J the same day through their online portal to request evidence to help progress the claim. They say they've added details of the task they need

Mr J to complete to the dashboard. Mr J then explains he also wants to claim for damage to his bed frame and QIC confirm a few days later this has been added and they ask for an image of the entire bedroom. A few weeks later, Mr J contacts QIC and asks for an update and QIC refer to their previous message asking for an image of the entire bedroom. They say once received they'll confirm the next steps. Mr J contacts QIC via webchat and says he uploaded an image as requested and says he hasn't heard anything since. QIC then say they didn't receive the image Mr J uploaded. This is then received and QIC instruct an agent to assess the damaged items. From this point, I can see there's progress until Mr J and QIC reach an impasse in relation to the body camera issue. From the information I've seen, I can't say there was an initial six-week delay by QIC. The information shows QIC were waiting for an image of Mr J's bedroom – and once this was received, the claim was progressed.

QIC's agent's integrity

I can see Mr J is concerned about an email received from an agent of QIC, in particular, it being signed off by the author with the job title 'Counter Fraud Team Leader'. The letter which was attached to the email is signed off by the same individual but this time their job title is 'Team Leader'. Mr J raises a concern about this, and I can see, in the email response which follows, the author has now signed off their email with the job title 'Team Leader'. In this email QIC's agent confirms they aren't making any allegations against Mr J and most certainly not an allegation of fraud. Mr J points out the author has changed their job title and says he believes they've been deceitful about their identity and role in the claim and weren't being truthful about their intentions.

QIC apologise and explain the author is also a claim validations team leader and the letter should've been signed under this title as it relates to the general claim validation process. They explain they carry out a validation process on all claims and the email Mr J received was in regard to that validation process. I do acknowledge why Mr J became concerned when receiving communications from an agent of QIC with the term 'fraud' in their job title – particularly as Mr J was being reassured there was no fraud investigation into his claim. But, based on the information I've seen, and QIC's explanation, I think this was an oversight on the part of QIC's agent and I've seen no evidence QIC or their agent were attempting to mislead or deceive Mr J. I can see QIC have apologised and I think that's fair in the circumstances.

Laptop and adapter

I can see Mr J is concerned his laptop and adapter haven't been returned to him. QIC say these items were sent for review and they noted the hard drive had been removed by Mr J prior to the laptop being sent. They say, after the laptop was reviewed, it was established this was beyond repair, so they disposed of it. They say the principle of indemnity is a rule of insurance which says the insurer will only pay for the actual loss suffered by the insured. They say, due to the laptop not being in working order, there is no actual loss suffered by Mr J.

I've reviewed the report prepared by the company instructed by QIC to review Mr J's laptop. This says the laptop has sustained impact damage to the motherboard and no longer shows an image on the display. It goes further to say, *"Repairs will not be possible and we recommend that this item be cash settled."* The report also says, *"We only hold BER items for up to 30 days from our report date after this period they are destroyed or prepared for salvage purposes. Please contact us immediately if the claim is under investigation, withdrawn or repudiated."* It appears QIC didn't contact this company within 30 days to request the return of the laptop or to ask for it not to be destroyed.

Mr J has provided an extract from QIC's 'Frequently Asked Questions' relating to the claim process. Under a question asking whether a damaged item will be returned after it has been inspected, it says, "*Under the terms of your insurance policy, once we have settled your claim, ownership of any items inspected are transferred to your insurance company and as such we are unable to return them to you.*" In this case, the claim hasn't been settled but QIC's agent has disposed of Mr J's laptop. And it's clear QIC were made aware of their agent's retention period as this was set out in their report. Despite this, and being aware the claim had reached an impasse, I can't see QIC took any steps to prevent their agent from disposing of Mr J's laptop.

I note QIC say, as they've been unable to validate the claim due to access issues, they don't agree to settle the laptop until a visit has taken place. They also point out that Mr J removed the hard drive prior to sending the laptop to QIC's agent and they say the laptop wouldn't work even if Mr J put the hard drive back in. I acknowledge this, but the fact is the laptop was in QIC's agent's possession as part of the claim process. So, it was QIC's responsibility to ensure the laptop was returned to Mr J if they couldn't validate the claim at that time. I acknowledge QIC's point that the laptop wouldn't have worked in any event, but I can't see their agent's report supports this. As mentioned above, the report confirms the laptop isn't repairable and they recommend a cash settlement. In any event, the issue here is that QIC didn't take steps to secure Mr J's laptop, and it was then disposed of by their agent. So, I think it's fair and reasonable in the circumstances for QIC to settle Mr J's claim for his laptop in line with the policy terms and conditions.

Putting things right

I've taken the view that QIC have acted unfairly in deciding they can't take Mr J's claim forward on the basis he isn't co-operating with the investigation. So, QIC should now investigate and consider Mr J's claim further without the need for body cameras, in line with the remaining terms and conditions of the policy. It is of course open to them to make any other further enquiries they feel are necessary, but I don't think it's reasonable for them to use the reasons they have to justify their refusal to consider the claim further. QIC should also pay Mr J £600 compensation for the upset and frustration caused. QIC should also settle Mr J's claim for his laptop in line with the policy terms and conditions.

My final decision

My final decision is that I uphold the complaint. QIC Europe Ltd must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 January 2024.

Paviter Dhaddy
Ombudsman