

## **The complaint**

Mr B and Mr C have complained that Bank of Scotland Plc (“Halifax”) changed the terms and conditions of the travel insurance included with their Ultimate Reward Current Account (“URCA”) without notifying them.

## **What happened**

Mr C submitted a claim on the URCA travel insurance. However, he was unhappy with how the insurer settled his claim – specifically about how much of a deduction was made to the claim to reflect wear and tear.

Mr B and Mr C submitted a complaint to Halifax, as they say it should’ve been drawn to their attention beforehand, about how much of a deduction the insurer may make on claims.

Halifax issued its final response letter and did not uphold the complaint. It said it had notified Mr B and Mr C about the change in travel insurance underwriter and changes to the terms and conditions.

One of our adjudicators assessed the complaint and overall, they were unable to conclude that Halifax had acted unfairly or unreasonably.

Mr B and Mr C disagreed with the adjudicators assessment, so the matter was referred for an ombudsman’s 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.

We’ve explained our approach to complaints about packaged accounts on our website and I’ve used that to help me decide this complaint. And having considered everything, I’m unable to uphold this complaint.

I understand the basis of Mr B and Mr C’s complaint is that Halifax changed the travel insurer on the URCA travel insurance and when Mr C went to make a claim, the ‘new’ travel insurer made a deduction for wear and tear on the claim. Mr B and Mr C say that Halifax should’ve made them aware of this specific term when the URCA travel insurer was changed.

Halifax has provided evidence to show that it did write to Mr C in September 2021 and explained the key changes that were taking place on the URCA benefits from November 2021. A copy of this was also sent to Mr C’s online banking mailbox too.

So from what I can see, Halifax did inform Mr C about the change of insurer, and the subsequent changes to the terms and conditions, as it was required to do.

Mr C has said that Halifax didn’t specifically explain in the summary of changes document how the ‘new’ insurer would deal with wear and tear in relation to baggage claims. But I don’t think this information necessarily needed to be included within the summary document.

The reason why I say this is because firstly, the summary of the key changes document can’t reasonably have set out every single term and condition of the policy wording. Had it

done so, then the document would no longer be a summary and would just be a copy of the policy document.

I appreciate that Mr C is unhappy with the wear and tear clause, essentially because it happened to directly affect how his claim was settled. But I don't think the depreciation term in the policy is particularly unusual, as it can be found in many travel insurance policies. Because of this, I don't think it needed to be highlighted or specifically drawn to Mr C's attention. As such, I don't think it is unreasonable if it was not mentioned in documents Halifax had sent Mr C that summarise the levels of cover provided (such as an Insurance Product Information Document, or an Annual Eligibility Statement).

Finally, I can see that prior to the change in URCA Travel Insurer in November 2021, the previous insurer had a similar wear and tear term in the baggage section, which said:

*"Claims will be considered on a new for old basis provided the item is less than 2 years old at the date of the incident and **You** are able to provide the original purchase receipt. All other items will be subject to a suitable deduction for wear and tear and depreciation or **We** may at **Our** option replace, reinstate or repair the lost, stolen or damaged **Personal Baggage**."*

Therefore, it seems that a deduction for wear and tear would've likely been made to his claim, even prior to the change of insurer in November 2021. This also explains why there was no mention of it in the September 2021 document summarising the changes being made to the URCA travel insurance.

So given all of the above, I'm unable to conclude that Halifax has acted unfairly or unreasonably in this matter.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mr C to accept or reject my decision before 24 October 2023.

Thomas White  
**Ombudsman**