

## **The complaint**

Ms A and Mr W complain that U K Insurance Limited (UKI) hasn't fully settled a claim they made on a travel insurance policy.

## **What happened**

The background to this complaint is well-known to both parties, so I've simply set out a summary of what I think are the key events.

Ms A and Mr W have travel insurance as a benefit of a packaged account with their building society.

Unfortunately, Ms A and Mr W suffered the theft of items from a car whilst they were on holiday. They made a claim for their stolen items, which included a laptop Mr W used for business purposes.

UKI accepted and partly settled Ms A and Mr W's claim. However, it didn't agree to settle the cost of the stolen laptop. That's because it said that whilst the computer was 'business equipment', it was also a 'valuable'. The policy terms specifically excluded lost or stolen valuable items unless they were stored in a locked safety deposit box; a safe or hidden from view in a policyholder's locked accommodation. As the laptop had been stolen from the car, UKI said there was no cover for its loss under the contract terms.

Ms A and Mr W were unhappy with UKI's decision and they asked us to look into their complaint. They said that the policy set out different definitions for business equipment and valuable items. Therefore, they didn't think the valuables exclusion applied to their claim.

Ultimately, our investigator didn't recommend that Ms A and Mr W's complaint should be upheld. He noted that a laptop fell within the definition of a valuable item, as well as the definition of business equipment. And he felt that the valuables exclusion applied to claims for business equipment which were also valuable items. As such, given the laptop had been stored in the car, he concluded it had been fair for UKI to turn down this part of Ms A and Mr W's claim.

Ms A and Mr W disagreed and I've summarised their responses to our investigator. They said they'd shown that Mr W owned the laptop and that it was business equipment. They considered that they had clearly met the business cover terms. They didn't think it was fair for UKI to rely on the valuables exclusion to turn down a business item claim. They also requested for interest to be added to any potential award.

The complaint's been passed to me to decide.

## **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, whilst I'm very sorry to disappoint Ms A and Mr W, I think it was fair for UKI

to turn down their claim for the laptop and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of the policy and the circumstances of the claim, to decide whether UKI treated Ms A and Mr W fairly.

I've first considered the policy terms and conditions, as these form the basis of Ms A and Mr W's contract with UKI. Part of their claim was for a laptop which was used for business purposes. Page 35 of the policy sets out the 'Business Cover' UKI provides. I understand that UKI assessed the laptop claim under this section of the policy and I think it was reasonable and appropriate for it to do so.

The policy provides cover of up to £1500 for lost, stolen or damaged business equipment. UKI has defined business equipment as:

*'Electrical equipment including computers, business books, stationery and office equipment that you use for business purposes and is owned by you and is your legal responsibility.'*

In this case, it's clear that the laptop was owned by Mr W and he's told us that it was used for the purposes of his business. As such then, I'm satisfied that the laptop was business equipment, in line with the policy definition.

However, that doesn't mean that all claims for stolen business equipment will be covered under this section of the policy. Business Cover also sets out a list of specific events or items that UKI won't pay for. This list includes the following exclusion:

*'Valuables which are not kept in one of the places listed below:*

- *With you.*
- *In a locked safety deposit box.*
- *Stored in a safe.*
- *Hidden from view in your locked personal accommodation.'*

UKI has also defined what it means by 'valuables'. These are *'personal items of value including...computers.'*

While Mr W used the laptop for his business, it did belong to him. And so whilst I agree that the laptop is 'business equipment' for the purposes of the policy, I also find that it falls squarely within UKI's definition of 'valuables' too. As such, the laptop falls within both definitions. Business equipment and valuables aren't entirely separate categories of item which will necessarily be treated independently of one another. In cases where an item straddles the definition of both a valuable and business equipment, UKI will need to consider which policy terms are applicable. The valuables exclusion I've explained above has been clearly set out within the 'Business Cover' section (as well as applying elsewhere in the policy). This means the valuables exclusion forms part of the overall 'Business Cover' section of the policy and therefore, I find UKI is entitled to decide whether it applies to business equipment claims. And so I'm satisfied that it was fair for UKI to treat the laptop as a valuable and to assess whether the exclusion applied to the circumstances of Ms A and Mr W's claim.

Based on the claim circumstances, I don't think it was unreasonable for UKI to conclude that the laptop claim was excluded from cover under the 'Business Cover' section of the policy. That's because it's common ground that the laptop was stored in a car and it wasn't in a safety deposit box, safe etc. Accordingly then, I find it was fair for UKI to turn down this part

of Ms A and Mr W's claim.

Overall, I sympathise with Ms A and Mr W's position, as I appreciate they were victims of a theft and that this matter has clearly caused them a great deal of upset. It's clear that they feel strongly about their complaint. However, having considered everything, I don't think that UKI has treated them unfairly and I'm not telling it to do anything more.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A and Mr W to accept or reject my decision before 24 August 2023.

Lisa Barham  
**Ombudsman**