

The complaint

Mr C complains that Great Lakes Insurance SE unfairly declined a claim under his mobile and gadget insurance policy.

Where I refer to Great Lakes, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

Mr C was abroad when he had his bag stolen with his mobile phone and other items inside. He says he'd turned away from his belongings to enquire about hiring a canoe when someone took his bag, and that it all happened very quickly.

Great Lakes declined the claim, relying on a policy exclusion for loss arising from the phone being left unattended. Mr C was unhappy with this decision, so he raised a complaint which he brought to our service.

Our Investigator didn't think Great Lakes had applied the policy exclusion fairly on the basis that Mr C's belongings were within a metre of him when the theft occurred. She recommended that Great Lakes pay the claim.

Mr C accepted our Investigator's findings, but Great Lakes didn't. It said Mr C's testimony when first reporting the claim was that he'd left his bag. As such, the complaint has 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.

Mr C's policy covers him for theft of his mobile phone. The terms and conditions say it will not cover:

“any claim where you knowingly leave your gadget somewhere unattended and it is at risk of being lost, stolen or damaged. For example – where your gadget is left at the side of a sports pitch whilst you are participating in the sport.”

The policy defines “unattended” as *“the gadget(s) are neither on your person or within your sight and/or reach.”*

When Mr C first reported his claim, he described the incident as follows:

“I was on the beach, I have went to enquire about a canoe, and I come back and my bag was stolen, with my mobile phone in it and other items.”

During the claim, Mr C provided further detail on the circumstances of the theft saying:

“My device was in my manbag at the time of the theft, along with all my other items including bank cards, driving licence, travel card and money. I was roughly a meter away from my manbag when this happened. I was pricing up a canoe from a local man when this happened so I’m assuming this is when it got took because I went to pay the man from my bag and it had gone, it happened so fast!!”

Whilst I can understand why Great Lakes would be under the impression that Mr C physically left his bag from the way he’d described things in his initial claim submission, he’s provided more clarity afterwards to say that he was only a metre away.

This further clarification was provided before Great Lakes declined the claim, so I don’t think Mr C has changed his story in order to get cover under his policy. In fact, Great Lakes has relied on Mr C’s second testimony to decline the claim as this is what it quotes in its rejection letter.

I don’t think Mr C being one metre away from his bag means he left it unattended. The bag is still within his reach. And it could be seen from the position he was in, even if he’d momentarily turned away from it to ask a man a question. So I don’t think Great Lakes has satisfactorily shown the exclusion applies to this claim.

As such, in the absence of any other applicable policy exclusion, Great Lakes should pay Mr C’s claim.

My final decision

For the reasons I’ve explained, I uphold this complaint and direct Great Lakes Insurance SE to pay Mr C’s claim in line with the remaining policy terms.

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

Sheryl Sibley
Ombudsman