

complaint

Mr J's complaint is about the decision of Ageas Insurance Limited (Ageas) to decline his claim for lost baggage.

background

Mr J had a travel insurance policy with Ageas. Mr J lost his bag whilst abroad and submitted a claim for his loss. Ageas declined the claim as Mr J was not a UK resident, and was not therefore eligible to claim under the policy.

Mr J complained and said he was not made aware that the policy only provides cover for UK residents. Ageas responded that it was Mr J's responsibility to read all of the policy information before he purchased it and so its decision to decline the claim was correct. It offered Mr J £100 compensation for its poor service, as it could not establish what, if any, discussion of residency took place at the point of sale.

The adjudicator recommended that Ageas pay the claim. He felt residency was a significant condition of the policy and should therefore have been highlighted at the point of sale. The adjudicator was of the view that the policy documents did not sufficiently highlight the fact that the insured had to be a UK resident to be eligible under the policy.

Ageas disagreed. It felt that the policy made the eligibility requirement sufficiently clear. It also said that Mr J should have asked at the point of sale whether he, as a non-UK resident, would be eligible for the policy.

my findings

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

The issue I have to decide is whether Ageas was reasonably entitled to decline this claim.

I agree with the adjudicator that the requirement to be a UK resident is significant. This is because if the requirement is not met there is no cover at all. It has the potential to have a serious detrimental effect on any policyholder that does not meet the residency requirement, yet is able to freely buy the policy in the UK. I have therefore considered whether this requirement was sufficiently highlighted at the point of sale.

Ageas accepts it is very unlikely that eligibility was discussed with Mr J at the point of sale. I have therefore reviewed the policy documentation to assess whether the documentation sufficiently highlights the requirement of UK residency.

The eligibility requirements are set out on the sixth page of the full policy wording. Nothing earlier in the policy directs the policyholder to this page. The requirements are not set out in a key facts document or policy summary. The requirements are not listed as significant or unusual restrictions to cover. Significant space (about two-thirds of the page content) is given to less important things such as *"Relax...we've got you covered"* and *"Optional add-ons"* (page 2) yet three conditions on 'eligibility' are left until page 6 and is one of eleven paragraphs. I do not feel this sufficiently highlights the UK residency requirement.

Ageas feels Mr J should have specifically asked about his residency at the time of sale. However, I do not think the average consumer would be aware that non-UK residents might be excluded from cover. This means Mr J would not have known to ask about his residency at the time of sale. This is why it is important to highlight restrictions such as this one.

I feel Mr J's position has been prejudiced by the failure to sufficiently highlight the UK residency requirement, as he was not given an opportunity to purchase suitable insurance which provides cover for non-UK residents.

In conclusion, I do not feel it was reasonable for Ageas to rely on the UK residency requirement to decline Mr J's claim.

my final decision

My final decision is that I uphold this complaint.

I require Ageas to pay the claim subject to the policy limits and excesses. I also require Ageas to add 8% interest simple per annum from the date of the claim to the date of settlement, less tax if properly deductible.

Sean Hamilton
ombudsman