

## **The complaint**

Mr M complains that Fairmead Insurance Limited declined his claim for the loss of his watch, under his home contents insurance policy.

Mr M is represented in his complaint by Mr H. But I will refer to Mr M in my decision for ease of reading.

## **What happened**

In July 2020 Mr M lost his watch. He says this happened when he was out socialising shortly after the pandemic lockdown restrictions had ended. He contacted the places he could remember visiting, as well as a taxi firm he had used, but the watch wasn't found. Mr M says he also contacted the police and was given a reference number.

Mr M made a claim to Fairmead. It arranged for him to be interviewed via a video call. The business subsequently declined his claim. It did so based on two endorsements detailed in Mr M's policy schedule that it thought he hadn't complied with. It says he hadn't provided evidence to show the value of the watch in line with the policy endorsements. And he hadn't had the watch inspected by a competent jeweller, which was required at least every three years, again in line with the policy endorsements.

Mr M thought this was unfair and referred his complaint to our service. Our investigator upheld his complaint. He thought Mr M had reasonably proved that he owned the watch. He didn't think the endorsements were clearly worded enough to show that Mr M had failed to provide evidence of the value of the watch. He also didn't think the endorsement was clear as to when the watch should've been inspected.

Our investigator thought Fairmead should cover Mr M's claim up to £30,000, which is the value of the watch confirmed in the schedule.

Fairmead didn't agree with this outcome. It says the valuation Mr M provided was obtained after he referred his complaint to our service and that it doesn't consider the condition of the watch. Fairmead says the jeweller based its valuation on the model and serial number. It doesn't think a valuation is acceptable where the watch wasn't inspected. It says the watch could've been in a poor state of repair and valued at less than the value in the policy schedule.

Fairmead asked for an ombudsman to consider Mr M's complaint.

It 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.

Having done so I've decided to uphold Mr M's complaint. Let me explain.

I've read the schedule and terms relating to Mr M's policy. He has cover for loss of personal possessions outside his home. He has two items specified in his policy schedule one of which is the watch he reported lost. The sum insured for this watch is £30,000.

Mr M says he lost the watch whilst he was out socialising In July 2020. I note Fairmead says it had some concerns about the circumstances of Mr M's loss, which is why it appointed a specialist claims team to investigate. My remit here is to consider whether Fairmead acted reasonably in declining to cover Mr M's loss for the reasons it gave.

Mr M explains that his late father gave him the watch as a gift in 2017. When asked by Fairmead he was able to provide the box the watch came in and the manufacturer's international guarantee card. I have also seen several different photos, taken on different occasions that I think clearly show Mr M wearing the watch. Based on this I think he's reasonably been able to show that he owned the watch. I note Fairmead didn't dispute this in its letter declining the claim.

The first endorsement Fairmead relied on to decline Mr M's claim says:

*"SEC09: Evidence of Value*

*In the event of a claim for loss or damage to a specified item(s) YOU will need to provide US with evidence of the value for the item, pair, set or COLLECTION."*

And the policy terms say:

*"If YOU claim for any specified item in YOUR SCHEDULE, YOU will need to provide proof of the item's value. WE recommend YOU retain photographs, instruction booklets, copies of valuations and receipts.*

*For specified VALUABLES WE recommend YOU obtain a professional valuation at least once every 3 years."*

Fairmead says that Mr M had failed to satisfy this endorsement. It says he has provided no information to support the value of the watch.

I can see from the interview report that Mr M's mother arranged the insurance policy on his behalf. He advised that she had phoned a jeweller to obtain a valuation for the watch so this information could be provided. He also told Fairmead that this is how a valuation could be obtained.

Mr M contacted a Jewellers after he had referred his complaint to our service. The jeweller provided two valuations of the watch he lost, based on the model and serial number. The letter from the jeweller notes that the watch was made from 18ct gold with "*baguette cut diamonds*". The first valuation given was for the current second-hand value, which it put at £70,000. The second was a valuation of the watch at the time it was bought in July 2019, which it says was £32,000.

I acknowledge the jeweller provided a valuation based on the model and serial numbers, not a physical inspection of the watch. So, this doesn't take into consideration its condition. But I don't think the policy terms require this. Similarly, the endorsement and terms don't specify when the watch should be valued.

We queried with the broker that arranged the policy what it told Mr M, or his representative. It says it explained that a valuation was required in the event of a claim. Mr M also confirms that he wasn't asked to arrange a valuation of the watch when the policy was agreed. So, I

don't think he was reasonably made aware that a valuation had to be arranged at the time the policy was first agreed.

The terms say a professional valuation is recommended to be obtained at least once every three years. Mr M's policy began in July 2019. It was well within this three-year period when he made his claim.

Based on the policy wording I don't think Mr M failed to provide what was required. If, as Fairmead suggests, Mr M should have obtained a professional valuation of his watch earlier than he did, I don't think it made this clear in its policy terms. So, I don't think it's fair for it to decline his claim for this reason.

The second endorsement Fairmead relied on to decline the claim says:

*"SEC08: Maintenance of Jewellery and Watches*

*There is no cover for loss or damage under PERSONAL POSSESSIONS for individual items of items of jewellery or watches in excess of £5,000 unless:*

- *The item(s) are inspected at least every 3 years by a competent jeweller*
- *Any defects in clasps, mounting and settings are rectified immediately*
- *YOU must retain evidence of the inspection(s) and repairs."*

I have considered this wording in detail.

Mr M's policy began in July 2019. I can't see how he would be obliged to comply with these conditions prior to the inception of his policy with Fairmead. It follows that Mr M was expected to arrange an inspection of his watch, with a competent jeweller, within three years of the policy inception date. This means by July 2022. Mr M's loss occurred in July 2020, which was well before this.

We asked the broker if Mr M was given more specific information as to when the three-year inspection period began. I've considered the information it's sent but it doesn't show that any further clarification was given to Mr M.

If Fairmead expected Mr M to arrange an inspection earlier, I don't think this was made clear to him in the policy endorsement and terms. I also acknowledge Mr M's comments that Covid lockdowns meant he wasn't able to arrange an inspection and he was dealing with his father's death in April 2020.

In considering all of this I don't think Fairmead treated Mr M fairly when declining his claim for the reasons it gave. Because of this it should reconsider his claim under the remaining terms and conditions without relying on the endorsements it specified. The policy specifies the cover provided is up to £30,000. It's fair that this is the maximum payable when the claim is reconsidered.

Finally, Mr M complains that Fairmead took around 11 months to return the box and documents for his watch. I'm sorry he is upset about the time this took and efforts he made to retrieve this, but this isn't something that was raised in his complaint to Fairmead. So, I can't consider it here.

**My final decision**

My intention is to uphold this complaint and require Fairmead Insurance Limited to:

- reconsider Mr M's claim for his lost watch under the remaining terms and conditions of his policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 July 2022.

Mike Waldron  
**Ombudsman**