

The complaint

Mr S complains that Admiral Insurance Company Limited unfairly declined his claim for a stolen watch.

What happened

Mr S holds a home insurance policy with Admiral. The policy insures the contents of Mr S's home, and covers a number of high-value items, which are listed separately. In September 2021, one of those items – a Rolex watch – went missing from Mr S's gym locker, so he reported what he believed to be a theft to the police, and subsequently raised a claim under his policy.

Admiral declined Mr S's claim. They said Mr S was unable to provide proof of ownership of the item, or any evidence to validate its authenticity or value; and they said their jewellery expert was unable to confirm the authenticity or the value of the watch from the photos Mr S provided alone. They said they were unable to see the specific model and serial number of the watch from the photos provided, and therefore wouldn't be able to note the theft on the Art Loss Register (a global database of stolen art, antiques and collectables), which is part of their claims process..

Mr S says he was unable to provide proof of purchase as he inherited the item from a family member. So he said it was unfair of Admiral to say that a valuation wasn't required when the policy was set up, to only then decline the claim when he couldn't now obtain evidence of the watch's value, as it was no longer in his possession. Especially as Admiral had sought evidence relating to other watches that were listed under his policy at policy inception, and he said if asked, he could've obtained a valuation for the Rolex at this point too.

Admiral argued that a valuation wouldn't be needed for every item at the point a policy was taken out, as this was dependant on the individual item value. But they said it was common practice to look to verify proof of ownership in the event a claim was raised at a later date, and they highlighted the section of the policy that set this out. They said that as Mr S was unable to provide the required evidence, they maintained that they'd declined his claim fairly. So, unhappy with this, Mr S brought his complaint to our service.

An investigator considered Mr S's complaint. He said that while he recognised that Admiral had requested documentation to show proof of purchase at the point of a claim, he thought the explanation Mr S had given for not being able to provide this was reasonable. He asked Mr S instead to provide an independent valuation of the watch, which he did, from an established jeweller within a well-known jewellery quarter. So, based on this, and the other evidence presented, the investigator thought Mr S had done enough to prove his claim, and he recommended Admiral pay Mr S £6,000 (the specified item limit) plus interest.

Admiral rejected the investigator's findings. They said their requests for proof of ownership, authenticity, and value were reasonable. Furthermore, they said they'd not received the valuation provided by Mr S, so they maintained that the claim should be declined.

The investigator sent Admiral a copy of the valuation. Admiral responded and said that as the valuation was carried out after the date of loss, the actual watch hadn't been seen by the jeweller, and that from the photograph used, they wouldn't have been able to confirm the serial number which would authenticate the watch and enable it to be listed on the Art Loss Register. They said that as a result, the valuation could not be used to validate the claim, and their position remained the same. So, the case 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.

Looking at Mr S's policy, it seems clear at the outset, that Mr S's Rolex is listed as an insured item. And that the cover for that item includes cover in the event of a theft, both within, and away from the home. It also seems clear that Admiral haven't called into question the circumstances of the theft, for which a crime reference number was provided. So, for the avoidance of doubt, I'm satisfied that an insured event took place for which Mr S has cover in place. So, my decision will focus on whether Mr S did enough (which Admiral argue he hasn't) to prove ownership of, and the value of, the item claimed for.

Mr S's policy states that in the event of a loss, Admiral may ask for more information to support a claim, such as: original receipts, invoices or valuations, dated before the item was insured; and, instruction booklets, photographs or details of where and when an item was purchased.

This request doesn't seem unreasonable, and is quite typical of policies of this nature, with similar questions usually being asked by insurers in such events. But in this case, Mr S has explained that this item was passed down from a relative, so he did not have any original receipts or instruction booklets with the item. He's also said that he didn't choose to get the item valued at the outset, as next to the item listing on the policy schedule, it clearly states – 'valuation required – no'.

I appreciate that Admiral's policy at the time of claim, requires a valuation of the item from before the loss, to be provided in the event of a claim. But for the reasons given above, I can understand why Mr S would not have obtained this, given it didn't seem to be required when the policy was taken out. So, I can understand why this wasn't available at the time.

Admiral also state that in the event of a loss, they may choose to look at photographs or valuations, to help validate both the proof of ownership and the value of the item. From reviewing the file, it seems that Admiral were provided with photographs, but said that their jewellery specialist was unable to confirm the authenticity and value of the items from these alone, as they were unable to see the model or serial number.

Now I understand why Admiral would want to see this information in order to value the watch. But equally, I understand why Mr S may not have that type of information available following the theft of the item, given he hadn't had it valued previously.

I can also see that Mr S has provided a copy of a valuation report from a jeweller, that values the watch at £6,500 since the theft. And as the investigator has set out, this was from a well-established jeweller with an extensive career, and senior roles within a well-known auction house, and who held a deputy director role having previously worked on the global strategy for all jewellery and watch auctions.

So, in this case, it seems that there has been evidence provided by two experts in the field that unfortunately contradict each other. So, I need to base my decision on what I'm most persuaded by.

I can fully appreciate Admiral's expert feels they are unable to value the watch from the information provided, and Mr S's feels they can. And I have no reason to doubt or question the findings of either party.

But I've considered Mr S's testimony, which I'm satisfied is persuasive, around both the reasons for not being able to provide further evidence of the value of the watch, and why he may not have more detailed photographs. Equally I've considered the fact that Mr S was able to provide a valuation for one of the other watches on his policy at the policy inception when asked. He has also asked what additional information might be required in order to validate both proof of purchase and the value of the other watches on his policy, should anything happen to these moving forward.

I can also see that Mr S has a number of other high-value items listed on his policy.

While I accept that the information Mr S has provided Admiral in respect of both proof of ownership and value is limited, I think Mr S has provided a persuasive argument for why he is unable to obtain these.

Mr S has provided what appears to be a genuine crime reference number that Admiral have not contested. He has provided what seem to be legitimate reasons for being unable to provide invoices or receipts, given that the watch was inherited. He has a number of high-value jewellery items listed on his policy that Admiral is happy to insure, and for which he has been able to provide valuations for when asked by Admiral. And he has been keen to co-operate with Admiral to provide any further evidence they may require in respect of the other high-value items on the policy.

This case is finely balanced, and I can fully appreciate why Admiral may have some initial concerns with the claim. But on balance, I think Mr S has done enough to prove his claim in the circumstances. So, for this reason, I instruct Admiral to pay the claim subject to relevant policy limits.

Admiral have also argued that Mr S has been unable to provide any proof of having insured the item previously, despite owning it for a number of years. But while I appreciate this evidence may be helpful, I don't think the fact he hasn't insured the item previously is enough to persuade me that his current claim shouldn't be paid.

So, for the reasons set out above, I uphold Mr S's complaint. I would however, strongly encourage Mr S to look into what documentary evidence he may have to prove ownership of his other insured items, and potentially seek valuations and liaise with Admiral to ensure the information he holds is sufficient should he need to claim at a later date.

My final decision

My final decision is that I uphold Mr S's complaint, and require Admiral Insurance Company Limited to settle Mr S's claim in line with the remaining policy terms, based on the valuation provided. It should also add 8% simple interest per year* on this settlement, from the date of claim until the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 October 2022.

*If Admiral Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Brad McIlquham
Ombudsman