

The complaint

Mr and Mrs S complain about Admiral Insurance Company Limited's decision to decline a claim on their home contents policy.

Reference to Admiral includes its agents.

What happened

Mr and Mrs S held a home contents insurance policy with Admiral. In 2018, their property was broken into and a number of items were stolen. Mr and Mrs S made a claim for their loss to Admiral. Admiral declined their claim on the basis they thought it was fraudulent.

Mr and Mrs S already had a complaint with our service when Admiral declined their claim, and all parties agreed we could look into Admiral's decision to decline the claim. We issued a final decision which said it wasn't fair that Admiral decline the claim by relying on the fraud term, because there wasn't enough evidence to show Mr and Mrs S had acted fraudulently. That decision – amongst other things relating to the service provided throughout the claim - directed Admiral to reassess the claim based on the remaining terms.

Admiral duly did this and declined the claim in its entirety once more. It did so because it said Mr and Mrs S hadn't been cooperative and provided it with all the information it needed to validate the claim.

Mr and Mrs S complained about this decision, and one of our investigators thought their complaint should be upheld. Our investigator didn't agree that Mr and Mrs S had been uncooperative. And while she agreed parts of the claim remained unvalidated, she didn't think it was fair Admiral decline the whole claim. So, she recommended Admiral pay the part of the claim, minus the two watches it had concerns about that hadn't been validated.

Admiral didn't agree and asked for an ombudsman's decision.

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'm upholding this complaint. I'll explain why.

As stated in the background of this complaint, we've already investigated and made a finding on Admiral's decision to rely on the fraud exclusion to decline the claim. We didn't think that was fair or reasonable. I won't be relooking at that decision, but it's worth noting that no further evidence supporting the claim being fraudulent has been provided.

Admiral's decision to decline the claim this time is because it says Mr and Mrs S have breached a term in the policy requiring them to be cooperative and provide all necessary information to allow it to validate the claim. The terms says Mr and Mrs S must:

- “Give us all the information about the claim that we need, including a Crime Reference Number or Loss Report Number if appropriate. Failure to do so could result in you not being able to claim under this policy
- Co-operate with us fully, providing such assistance and additional information as may be required”

Admiral says Mr and Mrs S haven't done this in relation to two watches they are claiming for. And I agree Admiral hasn't got all the information it needs to validate the claim for these two watches. But I don't agree that Mr and Mrs S have been uncooperative. They simply don't have the information Admiral is asking of them.

As a general principle, it is for the insured to be able to evidence they've suffered a loss covered by the policy. And here, in relation to the two watches, I don't think Mr and Mrs S have satisfied that burden. So, it follows that I don't think Admiral need to pay this part of their claim.

But although a strict application of the above term would allow it, I don't think it's fair that Admiral decline the claim in its entirety, as there are aspects of it Admiral has no concerns with. If it could be shown that the claim was fraudulently exaggerated, then it would be reasonable for Admiral to decline the claim in its entirety. But that's not the case here. The previous ombudsman's decision set out that Admiral hadn't shown the claim to be fraudulent, and as mentioned there's no further evidence to support the claim being fraudulently exaggerated or argument from Admiral that it is. So, declining the whole claim based on Mr and Mrs S not being able to validate two items, doesn't lead to a fair and reasonable outcome.

Admiral hasn't raised concerns about the remainder of the claim, so it should pay it, subject to the limits set out in the policy.

My final decision

For the reasons set out above, I uphold Mr and Mrs S's complaint and require Admiral Insurance Company Limited to

- Pay Mr and Mrs S's claim minus the two watches in dispute. Payment should be subject to any limits set out in the policy. Payment should also include 8% simple interest to be calculated from the date Admiral declined the claim for the second time, to the date it makes payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 8 July 2022.

Joe Thornley
Ombudsman