

The complaint

Mrs R has complained that Red Sands Insurance Company (Europe) Limited ('Red Sands') has unfairly declined a claim under a home contents policy.

What happened

Mrs R contacted Red Sands to make a claim for a bag that was damaged. Red Sands asked Mrs R to provide proof of ownership. Mrs R provided some documents, but Red Sands said it required an original receipt in her name or a professional valuation within three years of the start date of the policy. As Mrs R hadn't provided these, Red Sands declined the claim. Mrs R told Red Sands she could get the damaged bag valued and provide this to support her claim. But Red Sands said this wasn't acceptable.

When Mrs R complained to this service, our investigator upheld it. She said the policy didn't specify the valuation must have been carried out before the policy was first taken out. She said Red Sands should allow Mrs R to provide a valuation, review it and reconsider the claim. She also said Red Sands should pay Mrs R £100 compensation to recognise the error it made with the claim decision.

As Red Sands didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

The policy documents said:

"For any specified contents items or items listed that leave the home in this policy these require suitable proof of ownership for any claim to be paid for those items. This can be the original receipt in Your name specifically identifying the item or a signed professional valuation within three years of 26/11/2020 issued in Your name showing the date valued, a full description of the item, the unique serial number where the item has one, and where the valuer can be identified to check authenticity."

Mrs R doesn't have the original receipt for the bag, although she did provide Red Sands with a letter from her sister that explained the original source of the bag and how it came to be in Mrs R's possession. Mrs R has said she can provide a valuation of the damaged bag. Red Sands has said the valuation should be from before the loss or damage. But looking at the policy wording, it didn't say that. It only said it must be within three years of the start of the policy.

It was for Red Sands to ensure the policy wording clearly explained the terms and conditions that applied. The policy only required the valuation to be within three years of the start of the policy and described what the valuation should include. If Red Sands intended there to be

additional requirements, it should have said this in the policy wording. It can't now fairly introduce the additional requirement that the valuation had to be from before the loss or damage.

So, based on the wording of the policy, Mrs R should be able to provide Red Sands with a valuation of the bag from within three years of the start date of the policy, even if the valuation is from after the date of the damage/ loss. Red Sands should then consider that as part of the claim.

I've also thought about compensation. I think Mrs R will have been inconvenienced by Red Sands decision to decline the claim, particularly given that this seems to have been down to Red Sands either having made an error in how it wrote the policy wording or how it later interpreted it. As a result, I think Red Sands should pay Mrs R £100 compensation to recognise the distress and inconvenience caused to her.

Putting things right

Red Sands should reconsider the claim for the bag using a valuation obtained by Mrs R, even if it is from after the date of loss/ damage, and pay £100 compensation

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Red Sands Insurance Company (Europe) Limited to:

- Reconsider the claim for the bag using the valuation obtained by Mrs R, even if the valuation is after the date of loss/ damage.
- Pay Mrs R £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 27 July 2022.

Louise O'Sullivan
Ombudsman