

The complaint

Mr R complains about Admiral Insurance (Gibraltar) Limited's ("Admiral") decision to decline his claim to cover the full value of his watch under his home contents insurance.

What happened

The background to this complaint is well known to both parties, so I won't go over it in great detail. However, in summary, Mr R took out a multicover policy and, following a theft at his home, Mr R made a claim for a number of items. Part of the claim included two watches which Admiral offered to settle for £1,000 each. Mr R said the watches were worth more, so he complained. Admiral responded and explained, in relation to watch A, they couldn't find any evidence to show Mr R had informed them he'd bought it or asked for it to be added to the policy. Admiral said the policy schedule does say any high-risk items worth more than £1,000 must be specified in the table in the policy schedule to be covered to their full value. They explained as watch A wasn't specified on the table, the maximum this would be covered for is £1,000.

In relation to watch B, Admiral explained this was put on policy in 2021 but during the call where Mr R provided the valuation, it was agreed Mr R would call back to pay the additional premium needed for it to be on cover. Admiral said Mr R didn't then call back to pay the additional premium so watch B wasn't put on cover. They explained they'd sent Mr R renewal documents and they ask customers to check these details to ensure they're correct. They explained they didn't hear back from Mr R so they would only settle this for £1,000.

After considering all of the evidence, I issued a provisional decision on this complaint to Mr R and Admiral on 30 January 2023. In my provisional decision I said as follows:

"The dispute here, and what Mr R has asked our service to consider, relates to the settlement offered for watch A and watch B. Admiral have settled the claim for these at the unspecified item limit of £1,000 because they say these items were never covered by the policy. Mr R says he did specify these items so they should be covered for their full market value."

Watch A

My starting point is Mr R's policy booklet. This sets out the terms and conditions and under a section headed 'Important' it says, "Any high-risk item or collection valued at more than the 'unspecified item limit' must be shown on your Home Policy Schedule as a specified item." And, "We will not pay more than the 'unspecified item limit' for any single high-risk item or collection not shown on your Home Policy Schedule. Please contact us if you need to add a specified item to your Home Policy Schedule."

I've looked at the policy schedule and there's a section here for specified items which says, "Single unspecified High Risk items worth more than £1,000 must be specified in the table above to be covered to their full value." I can see there is an item listed here and Admiral settled this at the value listed.

Admiral say they've checked their systems and there's no evidence of Mr R having called to let them know he'd bought watch A or ask for this to be added to his policy. The terms and conditions require a customer to contact Admiral to add a specified item. Mr R says he recalls speaking with Admiral and was told it would be covered and he didn't need to do anything further. I've taken into consideration both account of events and thought carefully about what I believe, more likely than not, has happened here.

The first point I would make is that the policy schedule doesn't list watch A as a specified item. In addition to this, in relation to watch B, when Mr R told Admiral he'd bought this watch and wanted it on cover, they sent him an email asking for further information. I can't see a similar email was sent to Mr R in relation to watch A and, given this is also a high-risk item which would need to be included in the specified items list, I believe Admiral would've sent a similar email asking for further information. Given there's no evidence Mr R told Admiral about watch A, or that he wanted it covered as a specified item on the policy, I don't think it's unfair for Admiral to settle the claim for watch A at the unspecified item limit.

Watch B

I can see Admiral emailed Mr R on 9 January 2020 and asked him to send a purchase receipt or valuation "...for specified items over £10,000..." Mr R is asked to refer to his policy schedule to see which item this applies to. It goes further to say, if Admiral don't receive this information, this item will be removed from cover. This communication was sent from an email which contains 'noreply' in the address. This email also says, "Please do not reply to this email as replies will not be received." and it asks Mr R to use a 'Contact us' link at the bottom of the email. Mr R then replies to the 'noreply' email address on 18 January with a copy of his purchase receipt and warranty card for watch B. Admiral say they didn't receive this email so watch B was removed from the specified items section.

I've listened to a call on 11 March where Mr R explains he's calling to check if watch B has been added to his policy. The call handler explains it was originally added to the policy but then removed as they didn't receive the information they requested – and they'd refunded the additional premium of £88.25 to Mr R. The call handler then gives Mr R an email address to send the information to. Mr R explains he needs watch B added immediately because it's high value and the call handler then confirms he has placed watch B back on cover during the call but explains it will be removed if Mr R doesn't provide the requested information within 48 hours. The call handler explains, as they'd refunded the additional premium for this item already, there "...may be a charge that we'll have to apply..." The call handler says he'll place a suspend on the payment until they get the requested information to avoid Mr R paying this and then getting another refund if the information isn't received. Mr R then asks if he can use a different card to pay this and the call handler explains he'll wait for the information first and then he'll call Mr R to take the additional balance of £50.77 to cover watch B.

I can see Mr R then sent an email the same day to the email address provided by the call handler and, as well as providing the requested information, he explains he needs watch B to be added to his policy.

Admiral accept they received the email but there's no evidence they then called Mr R to take the additional premium. I've listened to a call Mr R makes to Admiral on 15 March. Mr R had a multicover policy which covered car and home insurance. During this call, Mr R enquires about temporarily adding a car to his policy until his renewal date in April and the call handler explains the additional cost for this is £230.78. Mr R

then says "I had to pay for my home insurance specified item, can I do that altogether?" and the call handler explains anything owed that he needs to pay on the policy can be paid now – Mr R then agrees to pay the additional amount. The call handler explains she'll send Mr R confirmation of everything and asks him to double check all documents to make sure it's all correct. The call handler then explains she'll be taking a payment of £281.55 – and Mr R then pays this.

Having listened to these calls, there's a number of points Admiral make which I disagree with. Firstly, in their complaint response, Admiral say, during the call on 11 March, Mr R told the call handler he would call back to make the payment for the additional premium. They also say, during the call on 15 March, nothing was discussed about watch B. In their response to our service, Admiral say watch B wasn't added as Mr R didn't agree the price to cover this.

During the call on 11 March the call handler makes it clear they will call Mr R – and this is mentioned more than once. At no point is it agreed that Mr R will call. There's no dispute that Admiral didn't call Mr R. So, I don't agree with Admiral's point that Mr R agreed to call them. Then, during the call on 15 March, while watch B isn't specifically mentioned, I think it's safe and reasonable to conclude Mr R's reference to "...home insurance specified item..." refers to watch B and the payment he makes includes the additional premium to place watch B on cover. I say this for two reasons.

Firstly, the conversation about watch B only took place four days earlier and, given that Mr R explained during that call he wanted this covered as a specified item, I think it's more likely than not he was referring to watch B. Secondly, during the call on 11 March, Mr R is told the additional premium for watch B is £50.77. Then, during the call on 15 March, when Mr R asks to pay the outstanding amount for the specified item, the call handler adds £50.77 to the £230.78 quoted for adding a new car to the policy. I haven't been provided with any information to show this additional £50.77 is for anything other than the additional premium owed for placing watch B on cover. So, I disagree with Admiral's points that Mr R didn't mention watch B during the call on 15 March or that he didn't agree the price. I think therefore, once Mr R pays the total additional premium, it reassures him that watch B is now on cover.

Admiral say new policy documents were sent to Mr R at this time but without watch B appearing on the specified items list – so, I think this suggests the call handler on 11 March didn't actually place watch B on cover on their system despite giving Mr R an assurance that he had. Admiral say they feel Mr R was aware watch B wasn't included on the policy and the policy went through a renewal in 2020 as well as 2021 without it appearing on there. I haven't seen the updated documents sent to Mr R following the call on 15 March or his 2020/2021 renewal, but Admiral say watch B didn't appear on the specified items list. If that's the case, then I don't believe Mr R should be responsible for not noticing this. I say this because it was confirmed by the call handler on 11 March that watch B was on cover and, given that he then paid the £50.77, I think it was reasonable for Mr R to assume that watch B was now listed on the policy schedule.

I accept Admiral did explain to Mr R he should check his documents. Generally, I think it's important for consumers to check their policy documents to make sure everything is correct and to ensure cover is in place for everything they want insured. While I don't think it was unreasonable for Admiral to invite Mr R to do this, in the circumstances of this case, I don't think it was unreasonable for Mr R not to have checked. The new policy documents sent to Mr R would've set out what was agreed during the call on 15 March and the renewal documents for 2020-2021 would've been sent out only around three weeks after this call. Given what was discussed during those calls, the payment Mr R made and the short duration of time between

the calls and the policy documents being sent, I'm not persuaded there was any reason Mr R should've had any suspicion that watch B wouldn't be appearing on the policy schedule. From the events which occurred, I think Mr R had every reason to be confident that watch B was now on cover.

This takes me to the 2021/2022 renewal – this being the policy year during which the theft occurred. Watch B doesn't appear on the policy schedule, so I've thought carefully about whether this should've been picked up by Mr R. While the previous renewal was only around three weeks after the calls in March 2020, this renewal was over a year later. As I've said above, I think it's important for consumers to check their policy documents to make sure they're accurate. But in the circumstances of this case, I don't think Mr R not checking the documents means Admiral shouldn't be responsible to meet the claim.

I've already found that Mr R did pay the additional premium for watch B to be placed on cover and the call handler on 11 March didn't actually place watch B on cover on the system. So, I've thought about what should've happened had no error been made. If the call handler had updated the system to cover watch B – as he confirmed he had done, then this would've appeared on the updated documents sent, as well as the two subsequent renewals. I'm persuaded this would've been the case as the watch which does appear on the list stayed on cover for all renewals following Mr R first telling Admiral about that watch. So, I see no reason why watch B would've been taken off cover for the 2021/2022 renewal. And, that being the case, it would've appeared on the specified items list and therefore not subject to the £1,000 unspecified items limit.

I haven't seen any information which persuades me that, leading up to – and during – the 2021/2022 renewal, Mr R should've had a reasonable suspicion that watch B might not be listed. In fact, there's no dispute that watch B was on cover for a short period when Mr R first asked Admiral to cover this as a high-risk item. So, I think it's reasonable for Mr R to have believed the same had happened following his calls in March. I do wish to make clear, I'm not saying that it's unreasonable for an insurer to expect a consumer to check their policy to ensure it's correct. What I am saying though is that, in the circumstances of this case, and given the events which occurred, I think greater weight should be attached to Admiral's error in not adding watch B to the specified items list.

Taking this all into account, I intend to ask Admiral to reconsider Mr R's claim for watch B. I acknowledge that, given watch B didn't appear on the policy schedule for two renewal periods, the premium Mr R paid for these years might've been lower than it should've been. So, Admiral can recalculate the premium for those policy years and deduct any additional premium owed from any settlement, should the outcome of their reconsideration lead to settlement of watch B as a specified item. I can see the error has had an impact on Mr R – he's been left upset, worried and frustrated by watch B not being placed on cover. So, Admiral should also pay £200 compensation to Mr R."

So, subject to any further comments from Mr R or Admiral, my provisional decision was that I was minded to uphold this complaint and require Admiral to reconsider the claim and pay compensation.

Following my provisional decision, both parties have confirmed they accept the decision. Given that both parties have responded, I see no reason to delay making a final 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, and with both parties accepting the decision, I see no reason to depart from my provisional decision. So, I've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

Putting things right

I've taken the view that Admiral have made an error in not placing watch B on cover and, had they done so, watch B would've been included on the specified items list. So, Admiral should reconsider Mr R's claim for watch B further, in line with the remaining terms and conditions of the policy. It is of course open to them to make any other further enquiries they feel are necessary, but I don't think it's reasonable for them to use the arguments they have to limit the claim to £1,000. Admiral should also pay Mr R £200 compensation for the upset, worry and frustration caused.

My final decision

My final decision is that I uphold the complaint. Admiral Insurance (Gibraltar) Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 March 2023.

Paviter Dhaddy
Ombudsman