

The complaint

Mr and Mrs H complain about how AXA Insurance UK Plc settled a claim they made on their contents insurance policy following a burglary.

Reference to AXA includes its agents.

What happened

Mr and Mrs H held a home insurance policy with AXA which provided cover for their contents in the event of a theft. After their home was broken into and a number of items were stolen, they made a claim to AXA for their loss.

Mr and Mrs H complained about how this claim was settled. They were unhappy AXA didn't pay for a gold belt chain worth roughly £4,000. And they were unhappy with the time AXA took to make payment on the items it did pay out on and the service provided throughout.

AXA said it wasn't settling the claim for the gold belt chain because it wasn't added to the claim until roughly two years after the burglary. It said because of this it couldn't be sure it was stolen during that break in. It did acknowledge it took too long to settle the claim for other items though and it offered Mr and Mrs H £225 compensation.

Mr and Mrs H didn't accept this. They said they did report the gold belt chain at the time of the theft to both the policy and AXA. And they said there were health reasons explaining why it wasn't mentioned again until roughly two years later.

But AXA didn't change its stance, so Mr and Mrs H brought their complaint to us.

Initially, one of our investigators recommended it be upheld and thought AXA should pay for the gold belt chain. He thought on the balance of probabilities it was reported to the police at the time. And he didn't think AXA had shown it wasn't reported to it. But AXA provided the original list of items reported to be stolen – and the gold belt chain wasn't on it. So, our investigator thought that on balance, it wasn't reported at the time, and so AXA's decline of the claim was fair. He did think AXA needed to increase its compensation to £350.

AXA agreed with our investigator's findings. But Mr and Mrs H didn't. They're adamant they reported the gold belt chain at the time of the theft.

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 it in part. In summary I agree AXA's decision to decline the claim is fair and reasonable in the circumstances – so I'm not requiring it to pay for the gold belt chain. But I agree with the increased amount of compensation our investigator recommended. I understand this won't be the answer Mr and Mrs H were hoping for. I'll explain my reasoning.

- It's a general principle of insurance that the first burden of proof lies with the insured. So it is for Mr and Mrs H to show, that on balance, they've suffered a loss, as described, that's covered by their policy. If they can do this, the burden passes to the insurer, in this case AXA. The insurer then needs to settle the claim, or evidence why it doesn't need to – by rely on exclusions/conditions/endorsements in the policy.
- In this case, what in dispute is whether Mr and Mrs H have done enough to show that the gold belt chain was stolen in the burglary. They say it was, and they say they reported this to the police and AXA at the time. AXA say the first they heard about this gold chain was some two years after the event.
- So, in essence, what I need to decide is whether or not the gold belt chain was reported to AXA at the time. If it was, then Mr and Mrs H would have done enough to pass their burden. If it wasn't, then I think AXA decision to decline the claim would be reasonable.
- I understand Mr and Mrs H's strength of feeling on this matter but based on the evidence provided. I'm not persuaded it was reported to AXA at the time of the burglary. I've seen the initial list of items reported stolen, and the gold belt chain isn't on there. A chain is noted on there, but this chain is said to be inherited, whereas the chain in question was purchased. So, I'm satisfied it's not the same chain.
- The police report does mention *"8/12 ounce of gold chains earrings and bracelets - £4000"* And while the amount corresponds with the claimed value of the chain, I think this more likely refers to the remaining stolen jewellery and its combined value.
- I appreciate there are valid reasons why the gold belt chain wasn't reported again until later, but I'm satisfied the most important evidence is what was reported at the time. The gold chain is a high value item – higher than any item on the list. So, while I appreciate it's possible to miss certain items in the aftermath of a stressful experience like a break in, I think it reasonable to have reported this high value item to AXA.
- So, for the reasons above, I think AXA are acting reasonably when saying it can't be sure the gold chain was stolen in the same theft, and so feel Mr and Mrs H haven't passed their burden of proof for this item. Therefore, I'm satisfied AXA need not pay for this item.
- Like our investigator, I agree £350 in total is a reasonable amount of compensation for the service provided throughout the claim and the delays AXA was responsible for. AXA is entitled to conduct investigations into any claim, but it's acknowledged its actions were at times unnecessary and that this would have caused unnecessary distress to Mr and Mrs H.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and require AXA Insurance UK Plc to:

- Pay Mr and Mrs H an additional £125 compensation, taking the total to £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 12 April 2023.

Joe Thornley
Ombudsman