

The complaint

Ms M complains that AXA Insurance UK Plc declined her claim for a damaged ring on her home insurance policy.

What happened

Ms M had home insurance that was underwritten by AXA. In May 2022 she made a claim following an incident in which both a watch and ring were damaged.

AXA accepted the claim and paid out for the watch. However it said its experts had valued the ring at over £2,000 and anything worth over £1,500 needed to be added to the policy as a specified item, and as it wasn't there wouldn't be any cover.

Ms M didn't think this was fair. She said she had bought the ring for £1,200 so didn't think it needed to be specified. And she provided an online valuation that said it would be worth between £800 and £1,200. She made a complaint.

AXA maintained its position on her claim but offered £100 compensation to make up for some delays in concluding it. Unhappy with this, Ms M brought her complaint to this service.

Our investigator recommended the complaint be upheld. She said that Ms M had chosen not to specify the item because the sale value was well below the lower limit for this. And there was no requirement in the policy to get regular valuations for items below the value of £5,000. So she didn't think Ms M could have done any more. She therefore thought AXA should reimburse Ms M for the repairs cost plus 8% simple interest. She also thought it should increase the compensation offered to £300.

Ms M accepted our investigator's outcome however AXA didn't. It said its expert had inspected the ring in person so the valuation was more reliable than an online quote. And items worth over £1,500 are only covered if they're specified which Ms M's ring wasn't. It asked for the complaint to be reviewed by an ombudsman.

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.

Ms M's policy provides cover for personal possessions, however it states under 'what is not covered':

'Any item worth more than £1,500 individually (these can be covered under section 5b)'

Section 5b provides cover for items worth more than £1,500 that are specified on the policy schedule.

AXA has said because its expert valued the ring at over £2,000 cover would only apply if it was specified and it wasn't.

I've considered this and I don't think it's acted fairly and reasonably by declining the claim for the ring. Ms M has explained that she bought the ring for £1,200, so didn't think it needed to be specified at the time she took out the policy, which is reasonable.

AXA has said the onus is on the customer to ensure that the relevant cover is still in place by having up to date valuations of the items. While I understand this, I don't think Ms M acted unreasonably here.

The policy only requires regular valuations of items that are worth £5,000 or more. And the ring was well under the specified limit when bought, so I don't think Ms M would have been reasonably aware that she should have continued to value the ring to ensure cover.

Further, Ms M has provided an online valuation from after she made the claim that values the ring at between £800 and £1,200. So even if she had taken steps to ensure the cover was still sufficient, she likely would have carried out a similar valuation and been reassured that it didn't need to be specified.

The policy states that only items over the value of £5,000 need to be inspected in person, so I don't think it reasonable for AXA to require an in person valuation rather than an online one for Ms M's ring. So, as an in person valuation wasn't required under the policy terms and an online valuation places the ring significantly under the £1,500 specified item limit, even if Ms M had taken steps to assess the value I don't think it would have had any impact on her position now.

For these reasons, I agree with our investigator that AXA should reimburse Ms M for the repair cost of the ring, adding 8% simple interest to make up for the time she has been without the funds.

I've also considered the service AXA has provided throughout the claim. Ms M has had to repeatedly chase it for any progress on the claim and has been left with many emails unanswered. It took a long time for AXA to confirm its position on the claim, including the acceptance of the watch, which has meant she has had to continue to contact AXA for much longer than she should. This has caused her further distress and inconvenience. For this reason I agree with our investigator that AXA should increase the compensation it's offered to £300.

My final decision

For the reasons I've given, I uphold Ms M's complaint and direct AXA Insurance UK Plc to:

- Reimburse Ms M for the repair to the ring on receipt of proof of the amount paid.
- Pay 8% simple interest on the amount from the date Ms M paid until the date AXA reimburses her.
- Pay Ms M £300 compensation.

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

Sophie Goodyear
Ombudsman