

The complaint

Mrs S complains that Accredited Insurance (Europe) Limited have declined her claim for loss of her engagement ring.

What happened

Mrs S lost her engagement ring when visiting a relative, and she made a claim under the personal possessions cover on her household insurance policy with Accredited.

Accredited asked her to provide evidence of the ring, and she sent them a photograph and the jewellery's certificate which was issued in 1998. The purchase price was £1150.

Accredited had the ring valued and said that they were declining the claim as the value of the ring was above the unspecified item limit of £2000.

Mrs S said that she had no idea the ring was worth more than £2000 and that was why she hadn't specified it, and so she complained.

In their final response, Accredited said that as the ring was valued at over £2000 it was required to be listed on the policy, which would result in endorsements being applied for the specific item. As Mrs S hadn't listed it, it couldn't be covered.

One of our investigators looked into Mrs S's complaint and he thought that Accredited should pay the claim up to the value of the unspecified items limit of £2000. He thought they should add 8% interest on this sum and also pay £150 compensation.

Accredited disagreed with our investigators view, and so the case has come to me to review.

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.

I have to decide whether Accredited have applied the terms of the policy, and acted fairly and reasonably in declining the claim.

Having considered all the evidence, I am upholding this complaint, and I will explain why.

The decision to decline the claim

Mrs S's claim for the lost ring was made under the personal possessions part of the policy. On the schedule under cover limits it says:

Total unspecified personal possessions away from the property - each worth £2,000 or less (not including bikes) £4,000 - See option A of the contents cover (section 2)

Under Option a of the contents cover - personal possessions away from your property - at page 35 it says:

You will need to specify any personal belongings , gadgets or valuables that are individually worth £2000 or more. If you have not specified these items, they will not be insured. The amounts shown below are the most we will pay for the following:

- a) *unspecified personal possessions:*
- b) *If you have bought this cover the limit will be shown in your schedule the most we will pay for any single unspecified possession is £2000."*

Valuables is defined in the policy as *"Articles made from or containing gold, silver, and other precious metals or stones, jewellery (including costume jewellery)..."*

So, I think it's clear that Mrs S should have specified any item to Accredited that she believed was valued at over £2000.

Following the loss, Accredited have asked their jewellery supplier to provide a value for the ring, which has been quoted as £2920 based on a value for the 0.3ct diamond of £1377.30 and 6.7gms of platinum at £230 per gram.

When Mrs S took out cover in August 2022, she was asked *"Do you have any valuables or personal items worth over £2000 each (Not including bicycles)"* to which she replied *"No"*. She was also asked *"What is the total value of all the items you would like to cover away from home (each item worth £2000 or less)"*, to which Mrs S replied *"£4000"*.

I think these responses show that Mrs S didn't have any idea that her ring's value was in excess of £2000.

So, I've then thought about how reasonable that belief was. Mrs S had paid £1150 for the ring when it was purchased, which was over 20 years ago. Accredited say that because of this and the fact that it was of sentimental value, they would have expected her to get it valued. I don't necessarily agree that people will be more inclined to get something valued if it has sentimental value.

I have also undertaken some research online to look at the price of comparable rings - platinum engagement rings with 0.3ct princess cut diamond. On the website of Accredited's jewellery valuer, there are comparable rings which are priced at between £1125 and £1570, and on other jewellers' websites there are comparable rings priced as little as £999. Whilst I appreciate that Accredited's valuer is able to give a specific price for an identical replacement based on the original receipt, I'm satisfied that Mrs S's belief that her ring was worth less than £2000 was reasonably held based on information that is widely available on jewellers websites, and so I think it's fair and reasonable that the claim should be covered under the unspecified part of the policy.

Putting things right

To put things right I think Accredited should:

- Treat the ring as covered under the unspecified items part of the policy and settle the claim in line with the other terms and conditions of the policy, capping the settlement value at £2000. This settlement may be by way of a cash settlement, or by offering a replacement to the value of £2000 through Accredited's supplier.

- If a cash settlement is made in respect of the claim, pay 8% simple interest from the date of the original decision to the date of settlement
- Pay Mrs S £150 for the inconvenience caused in line with our approach in cases like this.

My final decision

My decision to uphold Mrs S's complaint and direct Accredited Insurance (Europe) Limited to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 22 May 2023.

Joanne Ward
Ombudsman