

The complaint

Mr and Mrs M complain that Accredited Insurance (Europe) Ltd declined their claim for their lost engagement ring on their home insurance policy.

What happened

Mr and Mrs M had a home insurance policy that was underwritten by Accredited. They had added an engagement ring as a specified item at a value of £2,500.

In December 2022 Mrs M lost the ring and made a claim, however Accredited declined it. It said as it was a specified item, it was subject to an endorsement in the policy that required it to be valued every three years. And as the last valuation had been in 2018, they'd failed to meet the endorsement so cover wouldn't apply.

Mr and Mrs M didn't think this was fair. They said they'd had it polished by the original designer in 2021 and had since obtained a valuation from them and provided it to Accredited, so they said that should be enough to show its value.

Accredited didn't agree and said it couldn't accept a post loss valuation. Unhappy with this, Mr and Mrs M brought their complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. She thought that as Mr and Mrs M had a reliable valuation from someone who had inspected the ring within three years then it was fair and reasonable that Accredited accept the claim and pay Mr and Mrs M up to the policy limit of £2,500. She also thought it should pay £100 compensation to make up for the inconvenience caused.

Accredited didn't agree, as it said Mr and Mrs M hadn't followed the requirements of the clear endorsement in the policy. And as the ring had been valued at a higher amount than it was insured for, it shows that they didn't have the right cover in place. 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.

Mr and Mrs M had listed the engagement ring as a specified item on their policy at a value of £2,500. The policy states that the following endorsement would apply in these circumstances:

'Jewellery item more than £2,000 - valuation required

If you make a claim for any watch or item of jewellery shown on the schedule with a replacement value of £2,000 or

more, you must provide a professional UK valuation from within the last three years.'

I can see that the last valuation carried out before the loss was in 2018, so I agree Mr and Mrs M didn't meet the endorsement.

However, as well as the policy terms, I also need to consider what's fair and reasonable. Here, Mr and Mrs M had taken the ring to the person who originally made it in 2021 – the year before the loss. And they had inspected it and cleaned it. And five days after the loss they reached out to the same jeweller and asked them to provide a valuation based on the specification they had on file and the more recent inspection. So I consider this valuation to be very reliable.

Further, the fact that the jeweller saw it the year before, suggests that there had been no major deterioration in quality or damage to the ring. As the endorsement only requires a valuation within three years, the inspection the year before, means the post loss valuation would be more reliable than a valuation from a longer period of time before the loss but one that is less than three years.

I've considered what Accredited has said about Mr and Mrs M not having the correct policy cover or paying the right premium as the valuation is higher than the amount the ring is covered for. And I agree that it wouldn't be fair for them to receive more than the cover they've paid for.

However as Accredited has accepted there was a valid loss, and Mr and Mrs M have provided a reliable valuation from a jeweller who has seen the ring within three years, I think it's fair and reasonable that it accepts the claim and pays Mr and Mrs M the policy limit for the item.

As Mr and Mrs M have been caused inconvenience by Accredited unfairly declining the claim in the first instance, I agree with our investigator that it should also pay £100 compensation to make up for this.

My final decision

For the reasons I've given, I uphold Mr and Mrs M's complaint. I direct Accredited Insurance (Europe) Ltd to:

- Pay Mr and Mrs M the policy limit of £2,500 to settle the claim for their lost engagement ring.
- Pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 15 June 2023.

Sophie Goodyear
Ombudsman