

The complaint

Mrs B has complained about Admiral Insurance (Gibraltar) Limited. She isn't happy about the way it dealt with a claim under her home insurance policy.

What happened

Mrs B made a claim under her home insurance policy after she lost a diamond from her ring. But when Admiral looked into the claim it turned it down. This was because there was an endorsement under the policy that required the ring to be checked annually as it was worth over £5,000 in order to be covered under the policy. And as she hadn't had the ring checked it turned down the claim. As Mrs B wasn't happy about this she complained to Admiral and then this Service.

Our investigator looked into things for Mrs B and partly upheld her complaint. Although he thought the endorsement was clear he thought it produced an unduly harsh outcome in the particular circumstances of this case. So he thought Admiral should consider the claim up to the specified jewellery limit of £5,000.

As Admiral didn't agree the matter has been passed to me for 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.

Having done so I agree the complaint should be partly upheld for predominantly the same reasons as our investigator. However, I believe there are additional reasons why the complaint should be partly upheld which I will outline. Although I can understand Admiral's position I think it has produced a harsh outcome in the particular circumstances of this case. I'll explain why.

Mrs B got her ring valued and certified back in 2019 and discussed this with Admiral. It didn't want her valuation at that point in time and didn't outline to her that she would need to repeat this process on a yearly basis in order to remain on cover. And, importantly in this case, it didn't highlight this to Mrs B when it repaired the ring previously which I'd expect it to. I've asked Admiral about this while the matter has been with me for consideration, including details about the repair and what Mrs B was told about the endorsement at that time. But Admiral hasn't responded, and Mrs B has been clear that she was never advised of the requirement.

I would have expected the repair to be long lasting and effective, so I'm surprised the repair failed so quickly and the stone has been lost. Mrs B has been clear she hasn't worn the ring often and that she uses it on special occasions (which is understandable) so it is difficult to say the repair was to the standard required.

Furthermore, I've looked at the policy documentation and I agree with Mrs B that Admiral could've made the endorsement clearer. Indeed, the policy documentation says under the

'Extra conditions that apply to your Home Insurance (endorsements)' section that 'If endorsements apply to your policy, we will tell you about them beforehand and include the details in your Home Policy Schedule.' Plus, as our investigator has highlighted the endorsement section does say *'If you do not keep to an endorsement we may reduce your cover or refuse to pay your claim.'* And while the endorsement is highlighted in the schedule it could be clearer and I haven't been provided with any evidence that Admiral made Mrs B aware of the endorsement by *'telling you about them beforehand'* in addition to including it in the policy schedule.

Given all of this, I agree that the fair and reasonable thing to do, in the particular circumstances of this case, is for Admiral to reconsider the claim in line with the remaining terms and conditions of the policy up to the specified jewellery limit of £5,000. I say this as this is in line with the *'endorsements'* section of the policy which says Admiral *'may reduce your cover ...'* which feels fairest in the circumstances of this case.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to reconsider the claim in line with the remaining terms and conditions of the policy up to the specified jewellery limit of £5,000.

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

Colin Keegan
Ombudsman