

The complaint

Ms M complains that AXA Insurance UK Plc unfairly declined her claim on her home insurance policy.

What happened

Ms M had home insurance that was underwritten by AXA. She had included cover for a specified ring as part of the policy. In March 2022 she had to have the ring cut off after her finger became very swollen. The jeweller cut the ring off and resized it. Ms M made a claim on her policy.

AXA declined the claim as it said in order to have cover under the accidental damage section of the policy, the ring would need to have been damaged due to sudden and unforeseen events. However Ms M hadn't known what caused the swelling so it said she hadn't shown it was due to a sudden event. It therefore said cover wouldn't apply.

Ms M made a complaint but AXA didn't uphold it. However it offered £150 as it agreed it had provided poor service in response to her complaint. Unhappy with this, Ms M brought her complaint to this service.

Our investigator didn't recommend the complaint be upheld. She said that while she accepted Ms M wouldn't have foreseen that she wouldn't be able to take her ring off her finger, she hadn't shown that this was because of a sudden event. So she thought AXA had acted fairly by declining the claim.

Ms M didn't agree and asked for her complaint to be reviewed by an ombudsman.

In June 2023 I issued a provisional decision that stated as follows:

'Ms M has cover for her ring as a specified item on her policy. As outlined on her policy schedule, the relevant section of the policy for the cover provided for the item is Section 5b – 'Specified items Within and Away from the Home'.

In this section the policy states as follows:

'Under this section of cover, Your policy will cover the following Insured Losses:

- Physical damage...'*

AXA has considered Ms M's claim under the accidental damage cover of the policy, however I don't agree this is the section of the policy that applies. Instead it should be considered under section 5b, as detailed on the policy schedule.

This section covers physical damage to specified items and there is no requirement for the damage to have been unforeseen or to have happened suddenly.

Ms M has shown that there has been physical damage to the ring. And I can see the ring is

specified on her policy. Therefore I think, when considered under the relevant policy section, cover should fairly apply without the need for proof that it happened suddenly. I therefore don't think AXA has acted fairly or reasonably by declining the claim under the accidental damage cover.

For these reasons, I am minded to require AXA to accept Ms M's claim under section 5b of policy cover, and reimburse her for the repair of her ring, in line with the remaining policy terms and conditions. As Ms M has been without the funds since the repair, it should also pay 8% simple interest on this amount from the date she had it repaired, until AXA pays the settlement.

Additionally, as it has caused Ms M some distress and inconvenience by incorrectly declining the claim in the first instance, it should pay her £100 compensation to apologise for this.'

Response to my provisional decision

Ms M responded and accepted my provisional decision. AXA didn't respond.

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.

Despite being given ample time to do so, AXA has provided no additional information to demonstrate why Ms M's claim shouldn't be accepted under section 5b of her policy. I therefore see no reason to depart from the conclusions laid out in my provisional decision.

My final decision

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

- Accept Ms M's claim and reimburse her for the repair of her ring, in line with the remaining terms and conditions of the policy including any applicable excess.
- Pay 8% simple interest on the amount paid from the date Ms M had the ring repaired, until the date payment is made.
- Pay Ms M £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 14 August 2023.

Sophie Goodyear
Ombudsman