

## **The complaint**

Mr N is unhappy that Liverpool Victoria Insurance Company Limited (LVI) declined his claim for loss and accidental damage of personal possessions under his home insurance policy.

## **What happened**

Briefly, Mr N's contents insurance policy provided cover for loss or accidental damage to personal possessions while in or away from the home. While out walking, he lost his smart watch and glasses, and found that oil had leaked in his bag causing damage to his iPad. Mr N claimed under his contents insurance policy. Due to his disability, Mr N relies heavily on all three items, which he told LVI.

LVI declined Mr N's claim for all three items because he couldn't provide contact details of the person whose house he'd been at before walking home.

Unhappy with its decision, Mr N brought his complaint to us.

Our investigator upheld Mr N's complaint because she thought LVI had unreasonably declined his claim under the policy. She said Mr N hadn't refused to provide the information LVI wanted, but the person he'd visited had moved out of the country and he didn't have new contact details. Our investigator thought LVI should settle Mr N's claim using the information it did have, which included evidence of ownership, photos, a loss report, and evidence of contract cancellation for the technical items. She said LVI should pay 8% simple interest per annum to Mr N based on the calculation of the claim settlement amount. In addition, our investigator said LVI should provide £500 compensation in recognition of the inconvenience Mr N experienced having to be without the possessions he relied upon.

LVI didn't agree. It said Mr N failed to provide it with the evidence it asked for, so he failed to meet the terms of the policy. Further to this, LVI said his accounts of the events were conflicting, and it gave several examples of its concerns.

Mr N provided further information about his devices and evidence that he was charged almost £2,000 for just one of them. He asked for £1,000 compensation.

I issued a provisional decision in July 2023 explaining that I was intending to uphold Mr N's complaint. Here's what I said:

## **provisional findings**

*I've provisionally decided to uphold Mr N's complaint. Although the overall outcome is similar to that proposed by our investigator, my proposed actions are slightly different and for different reasons. I'll also refer to the additional evidence provided, so I think it's fair in the circumstances that both parties have an opportunity to respond.*

*My role here is to decide whether LVI declined Mr N's claim fairly, for the reasons it gave and in line with the policy.*

*LVI declined Mr N's claim because:*

- Our claims team had asked you to provide further information on several occasions, but you hadn't responded to this. In order for them to validate the claim, they would require the details requested.*

*Mr N provided lots of other information about his lost or damaged possessions, but he said he didn't have the contact details LVI asked for.*

*I've looked at Mr N's testimony about the friend whose details LVI wants. Out of respect for his privacy I won't go into details but, based on Mr N's explanation, I accept it's unlikely he has the information.*

*Regardless of whether he had the details, I've thought about what LVI would do with the information if Mr N had been in a position to provide it.*

*Mr N said he was at the friend's house when he last saw his possessions. The next day, when he woke, he couldn't find the watch and glasses, and his iPad was damaged. He's given an account of his journey home which helps me understand why he believed he'd lost his possessions on that journey, and I don't find it unreasonable to accept what Mr N says. If Mr N had been able to provide LVI with his friend's contact details, I find it unlikely that the friend would've said anything different to Mr N. So, I don't think the friend's testimony would've carried much weight anyway.*

*For these reasons, I think LVI has enough, or can seek enough, evidence of ownership from Mr N without needing to contact his friend. I see no reason for LVI to decline the claim based on Mr N's inability to provide his friend's contact details.*

*I've thought about LVI's concerns regarding the different account of events Mr N provided. The overall account is broadly similar – Mr N completed a journey by foot, bike and train. As there were several strands to Mr N's claims, and given his medical condition and physical status at the time of the loss, I don't think the accounts he gave were so different as to cause concern. I note that LVI's notes state the likelihood that his account was genuine given that it was somewhat complicated in nature. Even so, LVI didn't decline Mr N's claim because of concern over the differing account of events, so I won't address this point further.*

*As I've decided LVI unfairly declined Mr N's claim, I've thought about what it should do to put matters right. The contents policy provides cover for the loss or damage of personal possessions away from the home. Mr N lost his glasses, for which there is a £250 claim limit. The remaining possessions are for their fair value, up to the policy limit. To be clear, it's not my role to calculate the claim value: that's for LVI to do based on the evidence it has and any that Mr N may provide to evidence the reasonable cost for repair or replacement of a new item of similar quality. So, I'm minded to require LVI to assess Mr N's claim in line with the policy terms and conditions without relying on the missing contact details to decline the claim.*

*I don't consider it unreasonable for LVI to seek other supporting evidence, such as proof of purchase, clarification of charges etc, should it need to in order to settle the claim. Mr N would still be expected to provide reasonable evidence to demonstrate his loss if LVI asks for it.*

*Moving on, I've looked at Mr N's request for compensation and the amount at which he thinks LVI should settle the claim. As I've already said, it's not my role to calculate the claim settlement. However, I can say what may or may not be reasonable for LVI to include in its calculations.*

*Mr N provided evidence about the costs he says he incurred. Looking at the limited evidence, it appears that the payment demand for around £2,000, which he said was for his replacement iPad, includes other items unrelated to the claim. His evidence shows, for example, that he cancelled phone contracts incurring a termination fee. The claim wasn't for a phone, so I wouldn't expect LVI to pay for any related charges. Mr N also said there was a new generation of iPad, so he'd expect the new version. The policy provides for repair or replacement on a new for old basis, but that doesn't mean the newest model. LVI's liability would be limited to the cost of providing a new iPad of the same type and functionality as his damaged iPad. That doesn't include upgrading to the newest version which would otherwise amount to betterment.*

*In light of the evidence Mr N submitted more recently to support his claim, I decided it would be worth explaining the above so that he didn't expect LVI to pay for everything he hoped for. LVI's limit of liability is the evidenced costs for the glasses up to £250, the smart watch and iPad which directly relate to the loss or damage incident.*

*Finally, I've thought about Mr N's request for around £1,000 compensation. Our investigator proposed a sum of £500. LVI took around two months to send a substantive response declining Mr N's claim.*

*While two months may not seem excessive, in the circumstances where Mr N was clear about his reliance on the devices, I think the delay warrants £500 compensation as recommended by our investigator. Mr N has been quite open with both this service and LVI about his medical conditions. Out of respect for Mr N's privacy I won't repeat them here, but he's explained why and how the loss of his personal possessions caused him difficulties. I think LVI should've taken that into consideration and reached a decision much sooner. I understand that LVI was seeking further information from Mr N during that period but, as I've said, it's not clear what persuasive evidence LVI expected to hear if it had contacted Mr N's friend. Therefore, I think the delay was avoidable.*

*Taking all the circumstances into consideration, I'm satisfied that £500 compensation is fair and reasonable in recognition of the distress and inconvenience caused.*

*As it could've settled this claim sooner, I'm minded to require LVI to pay 8% per annum simple interest. Interest should be calculated on any claim settlement only – so, excluding the compensation – until the date the claim is paid.*

*I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.*

*LVI had nothing further to add. But Mr N responded with further comment on the inconvenience and distress this matter caused him. He asked me to double the compensation as a minimum in recognition of the delay, and for the interest rate to be set at 8.9% in line with the courts. Mr N also provided details of the up-to-date replacement costs of the lost and damaged items.*

## **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've decided to uphold Mr N's complaint for the same reasons I gave in my provisional decision. However, I haven't changed the action I'll require of LVI to put matters right. That's because I considered the relevant information Mr N provided again here when I first looked into his complaint, and there's nothing in his further comments to persuade me that any change is warranted.

I understand that Mr N would have been frustrated and upset by LVI's requests for information he couldn't get, which caused avoidable delays of up to two months. But I'm satisfied that £500 compensation is a fair amount in the overall circumstances. Given the nature of Mr N's needs for medication reminders and work-related notifications, it's not unreasonable to expect that he'd make arrangements even on a temporary basis to mitigate any problems the loss of his items caused. I understand he bought a device to help with some of the functions he needed assistance with. But it would be unreasonable to hold LVI wholly responsible for the ongoing inconvenience, or for any additional delays in settling the claim while Mr N brought his complaint to us.

Although Mr N asked for the interest to be calculated at 8.9% which he says is in line with the small claims court, this service considers 8% a fair amount. I see no reason to increase it.

Finally, Mr N provided further information about the cost of replacements, and he expects a sum of at least £2,400 in addition to any compensation. As I said in my provisional decision, it's not for me to calculate any claim settlement, and LVI is entitled to seek further information about the claim costs should it need to. I've also said that LVI is not responsible for any additional amounts which don't relate directly to Mr N's claim for the damaged iPad, lost watch and glasses. If Mr N has any additional evidence of the costs related directly to the claim items, he may wish to provide it for LVI's consideration.

In summary, the further comments don't persuade me that any change to my provisional decision is warranted. Therefore, the actions I will require of LVI, should Mr N accept my decision, remain the same.

## **My final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Mr N's complaint and Liverpool Victoria Insurance Company Limited must:

- reconsider Mr N's claim for his damaged iPad, and lost watch and glasses under the remaining terms and conditions of the policy without relying on the missing contact details to decline the claim;
- pay 8% per annum simple interest\* on any claim settlement, and
- pay £500 compensation by way of apology for the avoidable delay before confirming its decision about the claim, and for the distress and inconvenience Mr N experienced being without his essential devices for day-to-day use.

\*If Liverpool Victoria Insurance Company Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr N how much it's taken off. It should also give Mr N a certificate showing this if he asks for one, so he can reclaim the tax from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 17 August 2023.

Debra Vaughan  
**Ombudsman**