

The complaint

Mr M complains about QIC Europe Ltd and their decision to decline the claim he made on his home insurance policy for the loss of a necklace. Mr M also complains about the length of time the claim took to reach a conclusion.

What happened

Mr M held a home insurance policy, underwritten by QIC. This policy included cover for a specified piece of jewellery, valued at £5,000. Unfortunately, in September 2022, Mr M's wife lost this jewellery, a necklace, after wearing it to their local church. So, Mr M contacted QIC to make a claim.

Mr M's policy was arranged by an intermediary, who I'll refer to as "P". But as QIC are the insurer of the policy, they are responsible for the claim decision. So, for ease of reference, I'll refer to any actions taken by P, or QIC, as if they were taken by QIC throughout the decision.

QIC considered Mr M's claim. And they instructed an independent jeweller, who I'll refer to as "L" to investigate and validate the claim. L provided their report of 7 October, and recommended that further enquiries be undertaken before the claim could be accepted due to their concerns about the proof of ownership of the jewellery.

QIC considered this report. And they asked Mr M to provide photographic evidence of the necklace being worn. But Mr M was unable to provide this information and instead offered to provide witness statements from family members, or members of his church, to support his claim. QIC didn't accept this and, as no photograph could be provided, QIC didn't think they were able to substantiate the claim. So, they declined it. Mr M was unhappy about this, so he raised a complaint.

Mr M didn't think QIC's decision to decline the claim was a fair one. He thought his offer of obtaining witness statements was a fair one. And he thought the photo he had provided, alongside the proof of purchase he sent, showed he did have the necklace in his possession. So, he wanted the claim to be accepted. And he wanted to be compensated for the length of time the claim had taken.

QIC responded to the complaint and didn't uphold it. They thought they had declined the claim fairly, based on L's report and the terms and conditions of the policy. So, they didn't think they needed to do anything more. Mr M remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it in part. They thought QIC had acted fairly, and in line with the terms and conditions of the policy, when declining the claim. So, they didn't think QIC should reverse their original decision and accept it. But they did think QIC could've done more to progress the claim in a timely manner and keep Mr M updated. So, our investigator recommended that QIC pay Mr M £100 to recognise the inconvenience and upset this would've caused.

QIC accepted this recommendation. But Mr M didn't. He remained unhappy with QIC's decision to decline the claim. And he thought his offer of obtaining witness statements from his church or family members to prove he owned the necklace was a fair one. So, he maintained his belief that the claim decline should be overturned. As Mr M didn't agree, the complaint has been passed to me for a decision.

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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr M. I recognise he purposefully specified an item of jewellery on his insurance policy to ensure he was protected financially in the situation where this jewellery was lost, so he was able to fund the purchase of a replacement. So, when Mr M lost the necklace and QIC declined his claim, I can understand the upset this would've created, considering the financial impact financing a replacement would no doubt have.

But for me to say QIC should reverse their decision to decline the claim, I first need to be satisfied QIC have done something wrong. So, I'd need to be satisfied that QIC acted outside of the policy terms and conditions when declining the claim. Or, if I think QIC did act within these, I'd need to be satisfied that QIC acted unfairly in some other way when reaching this decision. And I don't think I can say that's the case here.

I think it's important to note that, when a customer makes a claim for an item that's been lost or stolen, an insurer such as QIC are allowed, and expected, to take reasonable steps to substantiate and validate the claim. And in this situation, I note QIC instructed L, an expert in jewellery, to complete this validation on their behalf which falls within standard industry practice.

I've seen the terms and conditions of the policy Mr M held. And these explain clearly under Mr M's obligations that he would be expected to *"At your own expense, we may ask you to provide us with all information, evidence and help we need to investigate the claim, including written estimates, reports and proof of ownership and value, which may include original receipts, invoices, bank or credit card statements"*.

And the policy terms go on to explain that *"It is your responsibility to prove any loss, so we recommend that you keep photographs, guarantee cards, instruction booklets and a full description of your valuable items"*.

In this situation, Mr M provided proof of purchase. But this invoice named the purchaser as someone different to both Mr M and his wife. And I note Mr M was unable to provide a photograph of either himself or his wife with, or wearing, the necklace that was lost. So, the only information L, and QIC, held regarding the necklace at the time the claim was declined was that a necklace had been purchased by someone else. And that Mr M had a photograph of the necklace in its show box. But crucially, this photograph didn't show the necklace as being in Mr M's possession.

Because of this, L recommended that further information be sought before the claim could be validated. And Mr M has confirmed he was unable to provide any additional information,

other than potential witness statements from family members, or members of his church.

While I do understand Mr M's belief these witness statements can be relied upon, I don't think I can say QIC have acted unfairly when deciding this information alone wouldn't be enough. This is because Mr M would have a relationship with his family members, and the members of his church. So, I don't think QIC could be satisfied beyond reasonable doubt that these witness statements were unbiased in any way. And I think another insurer would've taken the same approach, in the same situation.

I think the terms and conditions of the policy set out clearly the type of information QIC would accept to satisfy them of the ownership of the necklace. And I think there were several options available to Mr M, including bank statements, photos, and receipts. As Mr M has been unable to provide this suitable evidence, I don't think I can say QIC have acted unfairly, based on the recommendations of L, when deciding to decline the claim stating the ownership of the necklace couldn't be validated. And I think they acted within the terms and conditions of the policy when doing so. Because of this, I don't think QIC need to do anything more regarding this aspect of the complaint.

But I do note our investigator thought QIC delayed the claim unnecessarily. And, that QIC's communication with Mr M could've been better. QIC have accepted our investigator's finding regarding this and so, I'm satisfied QIC have accepted they did act unfairly here. Because of this, I don't intend to discuss the merits of this complaint aspect any further. Instead, I've turned to what I think QIC should do to put things right.

Putting things right

When thinking about what QIC should do to put things right, any award or direction I make is intended to place Mr M back in the position he would've been in, had QIC acted fairly in the first place.

In this situation, had QIC acted fairly, I think the claim would still have been declined as I think the information Mr M was able to provide would've been the same. But I do think QIC would've reached this decision sooner. And, had QIC done so, I don't think Mr M would've need to chase QIC for updates as regularly as he'd needed to.

I think it would've taken time and effort for Mr M to chase QIC for an update on his claim. And during this period, I think it would've been both worrying and frustrating for Mr M, who wanted to understand whether he was going to receive a settlement that would allow him to replace the lost necklace. So, I do think QIC should compensate Mr M for this.

Our investigator recommended QIC pay Mr M £100 to recognise this upset and inconvenience. And I think this payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think it fairly compensates Mr M for the delays he experienced during the claim process. And the fact he needed to chase QIC for updates during this time, rather than QIC contacting him proactively. But I also think it reasonably reflects my decision that the claim was declined fairly. And, that QIC did take reasonable steps to try and validate the claim, instructing L and allowing Mr M the chance to provide further information even though he was ultimately unable to do so. So, I am directing QIC to pay Mr M £100 compensation.

My final decision

For the reasons outlined above, I uphold Mr M's complaint about QIC Europe Ltd and I direct them to take the following action:

- Pay Mr M £100 compensation to recognise the delays and lack of communication he encountered during the claim process.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 August 2023.

Josh Haskey
Ombudsman