

## **The complaint**

Mr F and Mrs F complain that Accredited Insurance (Europe) Limited (AIL) refused to pay the full claim value for a lost ring.

Mr F had buildings and contents insurance underwritten by AIL. As the policy was in his name, I'll refer to Mr F throughout. Reference to AIL's actions includes those of its agents.

## **What happened**

Mrs F lost her ring, so Mr F claimed under the policy. The ring was a specified item on the schedule, valued at £5,100 when Mr F first bought the policy around five years earlier.

AIL accepted the claim. However, its jewellers valued the replacement at £7,000. AIL offered to make a new ring on a like-for-like basis up to the value of the insured amount of £5,100. Alternatively, Mr F could cash settle at £3,366 less the policy excess. These offers were based on AIL's limit of liability under the policy.

Mr F was unhappy with the offers because the ring had been valued at £6,500 in December 2020, and he thought AIL should at least make an offer including inflation. AIL said that because he hadn't provided details of the valuation at the time, or increased the value its offer was fair and in line with the terms and conditions.

After Mr F complained, AIL issued a final response repeating its offers. He remained unhappy with the offers, so Mr F brought his complaint to us.

Our investigator didn't uphold the complaint. He agreed that AIL's offers were in line with the policy and that they were fair and reasonable in the circumstances.

Mr F didn't agree and he asked for an ombudsman to decide.

## **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 not to uphold Mr F's complaint for the same reasons as our investigator. Nevertheless, I'll explain my decision.

To begin with, I want to say I'm sorry that this piece of jewellery, which would've been special to Mr F and Mrs F, is lost. It's likely that whatever manner AIL settles the claim, it won't ever feel quite the same as the original ring. I consider it important to recognise this when looking at how AIL handled the claim. That's because to AIL it is simply a piece of jewellery with an insured value where sentiment doesn't play a part.

The regulator's rules require AIL to handle claims fairly. My role in Mr F's complaint is to look at the evidence and decide whether AIL made an offer in line with the policy and, if it did, whether it was fair in the circumstances.

The ring was specified in Mr F's policy schedule, with a value of £5,100. That was the value he stated when he bought the policy in 2018. Because he'd specified the ring for cover under the policy, AIL included the following endorsements:

*Jewellery items and watches worth more than £5,000 - cover restriction*

*You agree that any watch or item of jewellery shown on the schedule with a replacement value of £5,000 or more is only covered when it is:*

- 1. being worn;*
- 2. being carried by hand or is under your personal custody or control; or*
- 3. kept in a locked safe or bank.*

*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.*

*We will not pay your claim, or the amount of the claim may be reduced, if you do not provide the proof we ask for.*

Mrs F was wearing the ring when she lost it, and it had been valued for insurance purposes within the three years prior to the loss. On request, Mr F provided AIL with a copy of the valuation. So, on the face of it, I can understand why Mr F thought AIL should settle the claim to the full value of the ring.

However, AIL limited the claim to the value specified in the schedule, which was less than the valuation Mr F provided. Looking at the evidence, I note that the policy booklet provides the following information:

- On page 3, under the heading "It is important that you do the following", AIL tells Mr F that he must notify it if anything is incorrect on the schedule or if anything changes.
- On page 13, under the heading "Renewal", AIL advises Mr F to have the value of specific items assessed and to, "let us know if the value of any of these items changes, otherwise you may find yourself overinsured or underinsured".
- On page 35, AIL confirms that the most it will pay for specified valuables is the amount shown in the schedule.

On consideration of this evidence, I think AIL's settlement offer was fair because:

- Although Mr F had the ring valued, he didn't tell AIL at the time. So the policy still provided cover for £5,100.
- When the policy renewed in subsequent years, Mr F didn't update the value of the ring in line with pages 3 and 13 of the policy. meaning it was still insured for the original value of £5,100.
- AIL's offer was in line with page 35 of the policy, which referenced the limit for the ring in the schedule.

Overall, I'm satisfied that AIL offered a settlement in line with the policy, and that it was fair because Mr F hadn't provided updated information in line with his responsibility under the policy.

Mr F asked whether AIL would offer £5,100 as a cash settlement. I see AIL explained that it need only settle the claim at the amount it would cost it to replace the ring based on the

policy limit. AIL provided evidence to show that it would be able to have a new ring made at a cost to it of £3,366, so I'm satisfied that its cash settlement offer in the same amount was fair and in line with the policy.

I've noted Mr F's comment that AIL would've known the value of the ring had gone up over the years, yet it renewed the policy without drawing his attention to it. I can't agree this represents unfairness on AIL's part. That's because the renewal documents required Mr F to look at the details of cover and make any necessary changes. And, importantly, Mr F knew the value of the ring in December 2020 but he didn't increase the value either immediately or at the next policy renewal.

I understand Mr F is unhappy that he can't have the same quality and specification of ring made for the amount AIL offered. However, AIL has offered to make a ring as similar to the original as possible up to the value of £5,100 in line with its limit of liability. That said, if Mr F wishes to have a ring made to the exact specification of the original ring, he may wish to explore the possibility of contributing the difference between the insured amount and the ring's true value to AIL's jewellers. That's a matter for him to discuss directly with AIL.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 February 2024.

Debra Vaughan  
**Ombudsman**