

The complaint

Mr and Miss M have complained about the way Aviva Insurance Limited have settled a claim they made under their home insurance policy.

For ease I've referred to Miss M in my decision as the lead complainant.

What happened

Unfortunately, Mr and Miss M's home was burgled and they made a claim to their home insurer, Aviva.

Jewellery items were stolen and were included in their claim. Aviva limited the settlement amount for valuable items to the limits set out under the policy.

Miss M complained to Aviva as she said this didn't match the value of the items that were stolen. Miss M said that because they hadn't been able to access their full policy documents online each year, they had been denied the opportunity to review and understand their cover and to make appropriate changes to it. Miss M said she understood the limit to be based on the purchase price and not the value of the items in today's market.

Aviva didn't uphold their complaint. It said it had posted a renewal pack to Mr and Miss M each year since November 2020 and this included a home policy schedule. The schedule set out the valuables limit. As it had received calls from Miss M on receipt of the renewal pack in 2020 and contact around the renewal date in subsequent years, it was satisfied that Mr and Miss M had received the renewal pack and so was aware of the limit set under the policy.

Aviva upheld the complaint that access online to the policy documents hadn't been possible. For this it offered Mr and Miss M £100 compensation, which they rejected.

Our Investigator didn't recommend the complaint should be upheld. He thought Aviva had dealt with the claim fairly and in line with the policy. He explained that Aviva didn't provide any advice as to the suitability of the policy when Miss M bought it. But a call recording from 2019 showed that Aviva had set out the difference in the valuables limit from a policy Mr and Miss M had recently lapsed with Aviva, and a new one Miss M chose to set up.

Miss M accepts that Aviva told her about the reduction in the valuables limit from £50,000 to £10,000 by buying a more basic level of cover with Aviva. But she says she assumed the limit was based on the purchase price of the valuables. Miss M says because she didn't have access to her policy documents via the online app, this is fundamental to her complaint because if she had, she would have understood what the limit was based on.

So as Miss M doesn't agree, the case has been passed to me 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.

There's no dispute that Mr and Miss M were unable to access their policy documents which included the full policy wording online for a number of years. Aviva upheld this part of their complaint.

I've looked at the renewal pack which was sent by post – and which in response to receiving, Miss M called Aviva in November 2020.

Under the Contents Section of the Home Renewal Schedule it reads:

“In the event of a claim, your policy covers you for:

Sum Insured up to (which goes on to specify between unlimited cover and limited cover)

More specific limits apply which are shown below:

Total valuables £10,000

Valuables single article £2,000.”

Under the heading “Important Information” Aviva says;

“Adequacy of Sum Insured

You must ensure that your sum(s) insured are not less than the full cost of rebuilding the property and replacing the goods; failure to do so may invalidate your policy or reduce claims settlements.”

I've looked at the full policy wording which Miss M says she didn't have access to. It reads:

“Contents conditions

- 1. The sum insured - Your contents sums insured (as explained below) must be high enough to replace the relevant property 'as new'*
 - Your overall contents sum insured must be enough to replace all your contents and unspecified valuables in your home.*
 - Your unspecified valuables sum insured (which is part of your overall contents sum insured) must be high enough to replace all your valuables which are worth less than the valuables single article limit.*
 - Other valuables (those worth more than the single article limit) must be specified and insured for their full replacement value. The value of specified items doesn't need to be included in your contents sum insured as they are payable in addition.”*

So I've carefully considered whether – had Miss M and Mr M had access to the full policy wording – would this have changed the outcome. In other words, on balance would Mr and Miss M most likely have changed the level of cover if they were in receipt of the full policy wording.

I don't think they would. I think the information set out under the policy schedule explained that the sum insured needed to be adequate to cover the costs to 'replace the goods'. Nowhere under the renewal pack – or under the full policy wording – does it suggest that the sum insured limit is based on the purchase price of the valuables.

So I don't find that – had Miss and Mr M had access to the full policy wording - the outcome would have been different.

I appreciate that Miss M says that when she has previously insured appliances, she has kept a note of the purchase price and this was a factor in her assumptions of cover under their home insurance policy. But the fact remains that Aviva clearly set out the limit of cover as £10,000 (from £50,000) in a call in December 2019, which Miss M accepts. And the renewal packs that were subsequently sent by post gave sufficient information for Miss M and Mr M to be aware of the limits of £10,000 for valuable items and £2,000 for a single valuable item.

As Aviva didn't give advice as to the suitability of the policy, it was for Miss M and Mr M to ensure they had adequate cover for their items.

I'm sorry to disappoint Miss and Mr M. But from the information available to me, I think Aviva acted reasonably and in line with the policy. So I'm not asking it to do any more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss M to accept or reject my decision before 16 February 2024.

Geraldine Newbold
Ombudsman