

The complaint

Mr M has complained about the settlement offered by Advantage Insurance Company Limited after he made a claim for theft under his contents insurance policy.

What happened

Mr M made a claim to Advantage after his home was burgled in October 2022. Various items of jewellery were stolen. Advantage appointed a jewellery expert to calculate the value of the stolen items.

Mr M's policy didn't cover individual items valued at more than £1,500. The expert valued two gold bangles as a set worth £3,230 and two gold chains at £1,620 each. So Advantage said these four items weren't covered by the policy.

Mr M said he believed the gold chains were worth £800 each. After bringing his complaint to this service, Mr M obtained a valuation from a jeweller based on photos and descriptions supplied by him. The jeweller assessed the bangles as worth £1,700 each and the gold chains including their pendants as worth £1,610 and £1,426.

Our Investigator upheld his complaint in part. He thought Advantage should cover the gold chain valued at £1,426 and pay Mr M £200 for the distress and inconvenience caused.

As Advantage didn't respond, the matter has been referred to me.

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.

As Mr M now agrees that the gold bangles and one gold chain valued at £1,610 aren't covered by the policy, I don't need to consider them further.

The main issue in dispute is a gold chain and pendant which Advantage has valued at £1,620 and Mr M's jeweller at £1,426.

Valuing jewellery is not an exact science. I've thought about which valuation is more likely to be correct based on the balance of probabilities.

It appears that both experts have carried out their valuations in a broadly similar way. Advantage told us its expert would have looked at the pre-loss photos supplied by Mr M, ascertained the weight of the items based on their Asian jewellery catalogue and then calculated the price with reference to the daily fix for 22 carat gold.

Looking at a photo of a family member wearing the two chains together, it appears that one chain is longer than the other. Mr M's jeweller has estimated that one was about 22 inches

long weighing about 14 grams with a pendant weighing about 3.5 grams (that is, about 17.5 grams in total). They thought the other chain was about 18 inches long weighing about 11 grams with a pendant weighing about 4.5 grams (that is, about 15.5 grams in total). That being the case, it makes sense to me that the chains shouldn't be the same value as opposed to both being valued at £1,620 as Advantage's expert has said.

Advantage's expert's valuation of the longer chain is only £10 more than Mr M's valuation. So I think Advantage's expert was probably correct in assessing this as being worth about £1,620.

However, it seems likely to me that a smaller chain weighing less than the one mentioned above would be valued at less. So I'm not persuaded that Advantage treated Mr M fairly in saying that this chain was also worth £1,620. I think on balance Mr M's valuation of £1,426 is more likely to be accurate. This means this item is less than the £1,500 policy limit and so Advantage should settle this part of the claim.

I've also looked at how Advantage handled the claim. Insurance companies are required to handle claims promptly and fairly. In this case Advantage instructed its jewellery expert on 26 January 2023. There were a total of ten items for them to value. Their report wasn't issued until 11 April 2023. I don't think the process should have taken that long. In addition Mr M was put to the unnecessary trouble and expense of challenging its valuation of the shorter chain. All in all, I think compensation of £200 is appropriate to compensate Mr M for the trouble and upset he was put to.

My final decision

I uphold this complaint and require Advantage Insurance Company Limited to settle Mr M's claim for the smaller gold chain valued by his jeweller at £1,426 and pay him £200 compensation for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 February 2024.

Elizabeth Grant
Ombudsman