

The complaint

Mr A and Mrs R complain that Red Sands Insurance Company (Europe) Limited turned down a claim made under their house, contents and personal belongings policy.

What happened

Mr A and Mrs R hold the policy with Red Sands. Mrs R had eight bangles in a bag, but lost the bag during a shopping trip. Mr A and Mrs R therefore made a claim under the policy for the lost jewellery.

Red Sands turned down the claim and said that due to the value of the jewellery, this would have only been covered if each item had been individually insured on the policy, which wasn't the case. Unhappy with this, Mr A and Mrs R brought a complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought Red Sands' claims decision had been in line with the policy terms.

Mr A and Mrs R didn't accept our investigator's findings, and so the matter 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.

The policy includes unspecified personal possessions cover for items taken outside the house, which includes jewellery that costs less than £1,500 to replace. The policy also says that the insured has to pay for (the loss of) any item where the replacement value is over £1,500. In other words, Red Sands will only cover the loss of jewellery worth under £1,500.

Red Sands has confirmed it would cover items worth more than £1,500, but only if these have been specified individually on the policy (and presumably a higher premium paid), and that Mr A and Mrs R didn't do so.

When Mr A and Mrs R took out the policy, they wanted £15,000 worth of personal possessions cover. Red Sands has provided a screenshot from the time of sale which shows that it covered possessions individually worth up to £1,500 (and £15,000 in total).

Mr A and Mrs R say that each item of jewellery is worth less than £1,500. However, Red Sands had the items valued in September 2023 with a member of the National Association of Jewellers, and each item was estimated to be worth more than £1,500. I see that the valuation included a pair of bangles as one item, but even if these were split up, each was worth over £3,000. The total value of all the items was estimated to be £17,979.

I note that Mrs R had her jewellery valued in June 2023. It was estimated to be worth £16,319.40 in total, but the description didn't separate out each item of jewellery. This wasn't

much less than Red Sands' total value of all the items, and it doesn't show that any of the items were worth less than £1,500.

So, on balance, I think it was reasonable for Red Sands to rely on the valuation it obtained, which confirmed that each item of jewellery was worth more than £1,500, and therefore turn down the claim.

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 A and Mrs R to accept or reject my decision before 25 April 2024.

Chantelle Hurn-Ryan
Ombudsman