

The complaint

Mr B complained about difficulties agreeing a valuation for his watch with his insurer Royal & Sun Alliance Insurance Limited ("RSA") when taking out his policy.

What happened

Mr B was unhappy that RSA wouldn't insure his watch for a value of £7,500 which was based upon an up to date replacement value for the watch provided by himself. RSA was only willing to insure the watch for £4,500 based upon the purchase receipt. Mr B thought this was inconsistent with what the terms and conditions of the policy stipulated.

Our investigator decided not to uphold the complaint. He thought RSA had acted fairly as he didn't think the valuation provided by Mr B was valid. Mr B disagreed, so the case has been referred to an ombudsman.

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.

RSA said, *"during the on-line journey we made you aware that for jewellery or watches specified on the policy valued at £5,000 or more, we would require a receipt or valuations no older than 3 years"*. RSA went on to explain the details required within the valuation. It doesn't explicitly set out if the valuation can be done by an independent party or by the owner themselves.

In explaining to Mr B why it wouldn't accept his own valuation, it said *"I appreciate that it doesn't state on our paperwork that a valuation written out by yourself will not be accepted, however, we do not state anywhere or suggest that a valuation written by your self is acceptable or that it meets our criteria"*.

Mr B pointed out that his valuation was based on a legitimate reference point, and he shared the details of this in his valuation.

I think RSA could be clearer in its documentation that the valuation should be from an independent source. I think the policy is slightly ambiguous. However, from RSA's actions, I think it's clear that it required an independent valuation and not one provided by the owner. It explained this to Mr B when he disputed the point.

I think it's fair for an insurer to expect an independent valuation for jewellery and watches, especially when the value is increased beyond the purchase price. I think this helps to protect insurers in the industry from fraudulent claims.

I would expect a valuation for these purposes to be carried out by someone who is both independent and a proven expert in that field. As RSA has applied this standard in its requirement, I don't think it has done anything wrong.

I appreciate why Mr B is frustrated as the requirement isn't as clearly defined in the policy as it could've been. However, as RSA clarified this, I don't think there is any more it should do. So, I don't uphold this complaint.

I'm pleased to see RSA did insure the watch for the correct value once Mr B was able to provide a valid valuation from an independent expert.

My final decision

My final decision is that I don't uphold this complaint. I don't require Royal & Sun Alliance Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 May 2024.

Pete Averill
Ombudsman