

The complaint

Miss F is unhappy with the settlement Covea Insurance plc have offered her for her stolen jewellery and with how they've handled her claim.

What happened

In January 2023 Miss F was burgled and her jewellery was stolen, so she claimed on her home contents insurance with Covea. Her policy provides cover for her contents up to a limit of £50,000, with a limit of £2000 for unspecified personal items. The policy excess is £100.

Miss F lives in a block of flats and a man knocked on her door saying he was a workman dealing with a leak from another flat. She went to check if there was any evidence of a leak and the man, together with an accomplice, entered her home. She was forced to remain in the kitchen while one of the men stole her jewellery.

Miss F reported the incident to the police who accepted she'd been burgled. Initially Covea wouldn't consider her claim as they said she'd let the men in. But after about a month they accepted that her claim was covered.

Miss F told Covea that a large proportion of her jewellery was inherited from either her grandparents or her mother or received as gifts from employers. So she doesn't have receipts for many of the stolen items. And for a lot of her working life Miss F lived in accommodation provided by her employers, so her jewellery was kept for her by her parents, as she didn't have the opportunity to wear it. This means she was only able to provide a limited number of photographs of her wearing a few of the stolen items. And she didn't have valuations for any of her jewellery.

Covea weren't happy with the evidence Miss F was able to provide regarding her ownership of items of jewellery she'd claimed for. On 10 August 2023 Miss F wrote to Covea enclosing photographs of her wearing some of the stolen items, with a description on the back of the photograph, photographs of the receipts she did have and photographs of the boxes left behind by the burglars in which some of the items were kept.

She also sent them three sworn affidavits and a draft affidavit in support of her claim. The first affidavit is from Miss F's brother, who was the executor of their father's estate. He confirms that he was aware that in their father's safe there was a bag containing items of jewellery belonging to Miss F.

He provides a list of the jewellery, a total of 16 items (including pairs of earrings) and says he passed these to Miss F the week after their father died in June 2014. He says he believes all the items were still in her possession on the date of the burglary. He concludes by saying that there were no receipts for any of the items in their parent's papers and he believes many of the items had belonged to their mother for over 50 years before being given to Miss F. He concludes by saying that the items were of enormous sentimental and personal value to Miss F.

The second affidavit is from a woman who employed Miss F for 16 years. She confirms that

during this time she gave Miss F a number of gifts which included a row of pearls, a gold and diamond pendant and matching earrings and gold knot earrings which were stolen in the burglary. She says she'd been able to locate a receipt for the pearls, but not the other items and confirms that the items remained in Miss F's possession at the time of the burglary.

The third affidavit is from a friend of Miss F's who confirms that she gave Miss F a Tiffany silver bracelet in 2019. She says she received the bracelet as a gift but didn't like it and gave it to Miss F who'd admired it. As it was a gift she didn't have a receipt but understands a photograph of the box it was kept in had been provided to the insurers.

The final unsworn affidavit is from a woman who confirms that Miss F was employed by her parents for 10 years and during this time they gave her a number of gifts including the Chanel clip on earrings stolen in the burglary. She says she was one of her parent's executors and no receipts for the earrings could be located.

Miss F has told us that Covea didn't acknowledge or accept the affidavits as evidence of her ownership of the stolen items.

Covea instructed a jewellery claims management company to contact Miss F and provide a report on the stolen items. This is dated 12 September 2023. Their report lists 28 items (pairs of earrings are listed as one item). Of the 28 items listed six are marked as 'not replaced' and given a zero-valuation stating that these weren't stolen.

For most of the remaining items a valuation and a discounted valuation, based on the amount replacements could be provided for, are given. But there are six items which it's said the appointed jewellers couldn't provide replacements for so the valuation of these items hasn't been discounted.

The report, which was prepared on the basis of documentation provided and a conversation with Miss F, gives a valuation for her stolen jewellery of £12,184, or £9,212.12 after the discount for items the appointed jewellers can provide replacements for has been applied.

Miss F wasn't provided with a copy of the report. But she was sent a spreadsheet which details the values placed on some of her items and the items Covea were prepared to accept. For the items Covea didn't accept it's stated that there's no proof of purchase or ownership.

Covea offered Miss F £2,277.13 in settlement her claim, based they said on the value of the items she'd been able to provide receipts for or provide other acceptable proof of ownership. This offer covers four of the stolen items a pearl necklace from Milleperle (Receipt provided), a gold diamond pendant and matching earrings (Photo provided), Tiffany & Co earrings (Receipt provided) and gold cushion earrings (Photo provided).

Miss F wasn't happy with this offer and raised a complaint which wasn't upheld up Covea. In their final response letter Covea said Miss F had been able to provide proof of ownership of the stolen items, but she hadn't been able to provide proof of valuation for the majority of the items. While a settlement figure of £9,212.12 was given in the report the jewellery claims management company had provided, they'd said they were only able to evidence the valuation of 30.4% of the stolen items. So Covea said they were only able to offer her a settlement figure of £2,277.13 which they considered fair and weren't prepared to increase.

Unhappy with this Miss F complained to our service. Our investigator considered the case and upheld Miss F's complaint recommending that Covea pay the full discounted settlement figure of £9,212.12. Together with £200 compensation for the inconvenience and distress their handling of her claim had caused.

Our investigator said that Miss F's policy states "We will require proof of ownership and value predating the loss or damage for items over £2,500. If you are unable to provide this information we may choose to reduce your claim payment or refuse to pay your claim." But based on the valuation report Covea had obtained none of the items of Miss F's jewellery were valued at over £2,500. So our investigator didn't think Covea had acted fairly in refusing to cover the majority of the claim based on the lack of valuations.

Our investigator felt that Miss F had gone to a lot of trouble to obtain what supporting evidence she could, so she was persuaded the claim was genuine. And she felt the claim could have progressed more quickly if Covea had correctly applied her policy terms and conditions. She also said that their handling of her claim had caused Miss F additional distress and they should pay her £200 compensation for this.

Covea didn't accept our investigator's opinion. They said Miss F hadn't provided enough evidence to enable them to make a full settlement. They refer to page 14 of the policy wording which says "Making a claim – we may ask you to send us at our expense, all the documents and information (including written estimates and proof of value or ownership) we may require."

They also said that there wasn't enough evidence to show the value of Miss F's jewellery and as all customers need to abide by the policy wording it would be unfair to treat her differently. And that statements don't prove the value of the items and they can only settle on the basis of the information they have.

The case has now come 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.

When Covea made their settlement offer to Miss F they said they could only offer a settlement based on the items they received proof of ownership for. They attached a schedule listing her items of stolen jewellery. The cost to them to replace is included for all of the 23 listed items. But apart from four items it's stated that there's no proof of purchase or ownership. Covea's offer is based on the value of the four items evidenced by a receipt or a photograph.

But when Covea provided their final response to Miss F's complaint they said she'd been able to provide proof of ownership of the stolen items, but no proof of valuation for the majority of them. So it appears that despite declining her claim as she couldn't provide proof of ownership, Covea in fact accept that she owned all the stolen items. And are saying her claim is now declined as there's no evidence of the value of the stolen items.

While it would have been much easier for Covea to have dealt with Miss F's claim if she had receipts or valuations for all of the stolen items of jewellery, the policy terms and conditions don't say that these are required for cover to be provided. The policy simply states that proof of ownership or valuation "may" be required if a claim is made.

Miss F has explained, and I accept her evidence, that most of her items of jewellery were either inherited or given to her as gifts. This being the case I wouldn't expect her to have receipts. The affidavits she's provided give details of the jewellery stored in her parent's safe and passed to her after her father's death, and of some of the items she received as gifts.

Her jewellery was stored in her father's safe until a few years ago so I can understand why

Miss F didn't have valuations for the items as they were safely stored. And after it was passed to her, her policy didn't require valuations to be provided for her jewellery to be covered. I don't think saying on page 14 of her policy that proof of ownership or valuation "may" be required if a claim was made is sufficient to say Miss F should have known she'd be required to provide a receipt or valuation for every item she claimed for, or her claim would be declined. Especially as the policy says such evidence is only required for items valued at over £2,500.

Covea obtained a report on the stolen items of jewellery which provides a valuation for 22 of the stolen items. This was based on the photographs Miss F was able to provide and a discussion between her and the valuers. None of the items of jewellery were valued at over £2,500. The valuations for the items the jewellers were able to replace were discounted and this is in line with the policy terms and conditions.

Covea have said that there wasn't enough evidence to show the value of Miss F's jewellery, the statements provided don't prove the value of the items, and that all customers need to abide by the policy wording and it would be unfair to treat her differently.

Insurers have a duty to handle claims promptly and fairly, this is set out in ICOBS (Insurance Conduct of Business Sourcebook) s 8.1.1. Part of that duty is considering every claim based on the evidence and fairly applying the policy terms and conditions to that claim. I'm not persuaded that Covea have done that in this case.

Having accepted that Miss F owned the stolen items and having obtained a report giving their jewellers valuations of the items, I think Covea should have settled her claim based on the valuation, with the items their jewellers could provide replacements for discounted in accordance with their report. So I don't think they acted fairly when they only offered her £2,277.13 in settlement of her claim.

I'm also satisfied that how Covea handled the claim has caused Miss F additional distress and inconvenience, at a time when she'd suffered the trauma of a burglary, and that she should be compensated for this. Taking everything Miss F has told us of the impact this has had on her I think £200 is the appropriate amount of compensation.

To put things right I require Covea to do the following: -

1. Pay Miss F's £9,212.12 in settlement of the claim for her stolen jewellery.
2. Pay Miss F £200 for the distress and inconvenience their handling of her claim has caused.

My final decision

For the reasons set out above my final decision is that I uphold Miss F's complaint about Covea Insurance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 14 June 2024.

Patricia O'Leary
Ombudsman