

## **The complaint**

Miss F complains that Accredited Insurance (Europe) Ltd declined a claim she made on her home insurance policy for damage to her engagement ring.

## **What happened**

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Miss F got in touch with Accredited in April 2023 to make a claim for damage to her engagement ring.
- Accredited declined the claim. The policy said Miss F should have the ring inspected and valued by a professional every three years. Accredited said the valuation Miss F had provided was out of date, because it was from January 2018.
- Miss F didn't think this was fair. She said repairing the damage would cost much less than the £6,000 sum insured and so Accredited hadn't been prejudiced. She also offered to have an updated valuation carried out.
- Accredited didn't consider the matter further or change its position.
- Our investigator thought Accredited was entitled to decline the claim.
- Miss F disagreed and asked for her complaint to be referred to an Ombudsman.

## **My provisional decision**

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- The policy covers accidental damage to the engagement ring away from the home. It's not in dispute this is how the problem occurred, and so the damage to the ring is covered by the policy in principle.
- Accredited has pointed to two policy conditions in order to decline the claim. The relevant parts say:
  - *We will not pay for the loss of [the ring] unless [it's] examined by a competent jeweller once every three years and any necessary repairs carried out.*
  - *If you make a claim for [the ring], you must provide a professional UK valuation from within the last three years. We will not pay your claim, or the amount may be reduced, if you do not provide the proof we ask for.*

- Miss F has a valuation from 2018, which is dated over five years prior to the claim. So, on the face of it, she hasn't met the two conditions.
- However, I would have expected Accredited to go on to consider the impact of Miss F not meeting these conditions. For example, if the ring had increased in value beyond an amount Accredited would usually offer cover for, there may be a significant impact on Accredited of Miss F not meeting the conditions. But, if the ring had reduced in value, there's unlikely to be any impact on Accredited. There are other reasons why there may or may not be an impact, these are just two examples to illustrate the point. This approach is in line with guidance set out in the Insurance Conduct of Business sourcebook (ICOBS) in section 8 and I think it would also be a fair and reasonable way to consider the claim.
- The valuation was for just under £6,000, so the amount Miss F insured it for was in keeping with that. It's possible the value has changed since then. But Accredited hasn't looked into that. It doesn't have a more up to date valuation, despite Miss F offering to get one. So it has no argument or evidence to suggest there has been any negative impact on it as a result of Miss F not meeting the conditions.
- I think it's also relevant to consider that as Miss F added the ring to the policy as a specified item, it's likely she paid an additional premium for £6,000 of cover. Combined with the points above, in these circumstances, I'm not persuaded it would be fair to decline her claim outright, even if the ring had increased in value.
- To put things right, Accredited should accept the claim. The remaining terms and conditions of the policy will apply, such as the excess and policy limits.
- Accredited declining the claim outright was unfair – and has caused a delay having Miss F's ring repaired. Whilst the disappointment of damage to such a sentimental item isn't something I can hold against Accredited, the distress and inconvenience caused by the delay putting the damage right is. I consider £250 compensation is reasonable in these circumstances.

### **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.

Accredited didn't respond to my provisional decision.

Miss F did. She said she accepted my findings and would provide quotations to repair the ring as soon as possible.

With no challenges or comments on my findings, I don't see a need to revisit them in detail. I remain satisfied they're a fair and reasonable way to resolve this complaint for the reasons given above.

Once Miss F has quotations, she can share them with Accredited and I would expect it to deal with the claim from there.

### **My final decision**

I uphold this complaint and require Accredited Insurance (Europe) Ltd to:

- Accept the claim, subject to the remaining terms and conditions of the policy.
- Pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 9 May 2024.

James Neville  
**Ombudsman**