

The complaint

Mrs P has complained about the way in which Ageas Insurance Limited ('Ageas') handled her claim for theft of items under her home insurance policy. For the avoidance of doubt, the term 'Ageas' includes its agents and representatives for the purposes of this decision.

What happened

Unfortunately, Mrs P suffered theft of jewellery and coins from her home in November 2023 and she discovered the theft and reported the matter to the Police and also Ageas as it was her insurer at the relevant time. Ageas processed the claim and issued a cheque in settlement of the claim. It also offered compensation in the sum of £150. When Mrs P went to bank the relevant cheques, she was told that the cheques had been cancelled. Ageas explained that it shouldn't have issued the cheques and that it needed to receive a Police report before it could validate the claim.

Mrs P complained to Ageas about its actions. Ageas accepted that there had been certain service failures and it offered Mrs P compensation of £750 in July 2024 for the distress and inconvenience caused by its actions.

Mrs P remained unhappy about the way in which Ageas had handled her claim and also about the delay in making settlement, however Ageas maintained its stance. In the circumstances, Mrs P referred her complaint to this service. The relevant investigator didn't uphold Mrs P's complaint. It was her view that Ageas had ultimately acted reasonably in wishing to await a Police report.

As Mrs P remained unhappy with the outcome of her complaint, and the matter was passed to me to reach a final decision in my role as 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.

The key issue for me to determine is whether Ageas acted in a fair and reasonable manner in the handling of Mrs P's claim. I note that Ageas offered compensation of £750 as it accepted that it didn't handle the matter fairly and reasonably in all respects. I consider that £750 adequately recognises the poor service received by Mrs P, and I don't require Ageas to do anything further as to this particular complaint. I'll explain the reasons for my decision. In reaching this decision, I've considered the submissions of the parties as summarised below.

I turn firstly to Mrs P's submissions in support of her complaint. In summary, she felt that Ageas had reneged on its agreement to settle her claim on two occasions, by stopping payments. In addition, Mrs P said that she'd had to provide the same evidence to two different claim handlers, and she felt that she'd spent a lot of time and money in trying to communicate with Ageas.

Mrs P had understood that settlement had been agreed by Ageas in February 2024 and that it had agreed to replace an item of jewellery. She said that she'd signed paperwork to this effect and was told that the relevant sum would be sent to her bank account. Mrs P thought it had been a fair offer and as far as was possible, an accurate monetary reflection of what she'd lost. She was astounded to then receive an email a few days later which stated that the amount wouldn't be paid after all and citing the need for a Police report. Mrs P said that this was the first time that the Police report had been mentioned. She said she then tried on multiple occasions to chase this up, but that it was still outstanding. She's also shared her witness statement with Ageas.

Mrs P wished to make it clear that she'd made her complaint once the offer had been withdrawn by Ageas as she felt this to be highly irregular and meant that there was a loss of expectation. She also complained about the lengthy delays in the process. Mrs P made it clear that she was very unhappy that she'd had two settlement offers rescinded.

Mrs P acknowledged that certain items were returned to her, and she said that; *'I of course only claimed for the missing items which had not been returned.'* Her ongoing concern was that settlement of her claim wasn't being progressed. In June 2024, she found out about the settlement being rescinded when trying to present cheques to her banks for payment. She said that she'd been encouraged to contact this service by representatives of Ageas.

Finally, Mrs P felt she'd had to provide evidence to several different people who hadn't kept each other informed of what had been agreed. She said that there had been four months of calls and e-mails which resulted in the second settlement being stopped. She added that as the delay had been so long, the claim was still open when she came to renew her house insurance. This meant that she had to stay with Ageas so as not to incur a hefty premium, or refusal of cover, and so, hadn't been able to search for more cost-effective insurance as a new customer with a different insurer. She said that this was despite Ageas's *'appalling level of customer care'*. She said that the matter had been *'unbelievably disappointing, exhausting and stressful....'*

I now turn to Ageas's submissions in response to Mrs P's complaint. It accepted that photographs of certain items had been duly provided by Mrs P, and it had appointed its specialist jewellery supplier to advise. It said that once the supplier had been provided with the photographs, a list of items was drawn up, and a visit was then conducted in February 2024. Ageas acknowledged that a partial cash settlement had been agreed, with further items to be replaced.

It explained that efforts had been made to obtain police reports *'to aid in confirming the claim circumstances.'* Ageas stated that, as with any claim submitted, it had a duty to validate the circumstances of the incident and determine whether the loss or damage had occurred. It confirmed receipt of Mrs P's signed witness statement which it said provided further support for the validity of the claim but didn't carry the same detail as an official Police report.

Ageas had issued two final response letters, and initially, it upheld Mrs P's complaint as regards the delayed settlement of her claim, and it issued a cheque for the agreed amount. In addition, to acknowledge the delays and inconvenience caused, it issued a further £150 in compensation to Mrs P. It added its apology for the poor service received. It didn't accept that there had been a lack of ownership of Mrs P's claim however, and didn't consider that the way it had managed telephone and e-mail correspondence had added to the above delays. It subsequently stopped the cheques however. It said that a settlement of the claim was revoked after it became apparent that it hadn't received the relevant Police report, but it said that it was proactively chasing this.

However, in its second final response letter which was said to replace the first, Ageas stated as follows regarding the settlement. It stated that it had a duty *'to validate the circumstances of the incident and determine whether the loss or damage has occurred'*. It said that it would usually ensure that any validation requirements were addressed prior to settlement agreement and accepted that this wasn't the case here. It confirmed that Mrs P's signed witness statement further supported the validity of her claim. However, Ageas felt that the statement didn't provide Police confirmation of the items which were returned to Mrs P. It explained that as some of the items had been returned, it needed to receive this confirmation from the Police. It accepted that, given the offers and assurances, it would have been *'frustrating and disappointing to have these offers withdrawn on two separate occasions and we would like to sincerely apologise for the upset this may have caused.'*

As to the cash settlement being stopped on two separate occasions, Ageas said that its decisions had been correct as the first settlement included items which had been returned. It also stated that under the terms of the policy, a collection of coins would be treated as one item and trigger a policy limit. It also referred to a policy exclusion as entry to Mrs P's property hadn't been gained by deception. It said that the claim should therefore have been declined when it was first reported. Nevertheless, due to the way that Ageas had handled the matter, it said that it had decided to proceed with the claim, subject to the other terms of the policy as a gesture of goodwill. Ageas also acknowledged that it should have provided clarity to its agent, as it shouldn't have offered settlement in the first instance.

In summary, Ageas acknowledged that there had been a lack of transparency and communication failures and so Mrs P's expectations hadn't been properly managed. It considered that there hadn't been a good level of service to Mrs P. It sincerely apologised for this and upheld this aspect of Mrs P's complaint. Ageas also agreed that there'd been avoidable delays to Mrs P's claim, including emails not being reviewed and actioned as expected. It also considered that failure to carry out necessary policy validation had caused delay. It appreciated that settlement had already been offered by the time these checks were carried out and the Police report should have been requested earlier. It understood that making a claim could cause difficulties and that a poor service would have only exacerbated this. It therefore offered compensation of £750 for the inconvenience and stress caused.

I now turn to the reasons for not upholding Mrs P's complaint on this occasion. It should be noted that this decision relates to events only up until the date of Ageas's final response letter in July 2024 and doesn't preclude the ability for Mrs P to lodge a further complaint to Ageas for events that post-date this.

I appreciate that the way in which this matter has been handled by Ageas will have caused considerable distress and inconvenience to Mrs P for a lengthy period up until July 2024. Through the actions of its agents and representatives, Mrs P was led to believe on two occasions that her claim had been validated and that she was about to receive a settlement which would have been acceptable to her. Having cheques stopped at the eleventh hour would have been particularly upsetting.

Having said that, insurers have a duty to their customers to ensure that care is taken in validating claims, and that where there has been the involvement of the Police, that insurers liaise closely with them to ensure that the extent and circumstances of crimes are subject to full and proper investigation. In this case, whilst Mrs P has readily produced her witness statement that was submitted to the Police, I consider that clarity and confirmation is required as regards what was originally reported stolen and as to the items which have now been returned to Mrs P as well as the circumstances in which they were returned.

Ageas has recognised that its usual process is to ensure any outstanding validation requirements or questions are addressed prior to a claim settlement being agreed. I agree

that an offer of settlement shouldn't have been made by Ageas in the absence of this information. If there are ongoing issues with the obtaining of this information, then Ageas will clearly have to make its final decisions in relation to settlement as swiftly as possible and based on the available information, including Mrs P's witness statement. However, any such further decision is not the subject of the current complaint.

Ageas has accepted that the level of service Mrs P received wasn't what it should have been. I agree that the level of confusion caused, and the poor service meant that Mrs P would have been caused distress, frustration, and inconvenience in an already stressful situation. I've noted that there were several occasions where Ageas failed to manage Mrs P's expectations and where its processes were confused and disjointed. As such, I appreciate that the offers of settlement will have raised Mrs P's expectations, and that revoking its offers will have caused considerable distress and inconvenience. Ageas has now recognised this fact. However, I consider that the compensation offered by Ageas of £750 is a significant compensation payment under this service's guidance, and I consider that this has been set at the right level in relation to the period up until July 2024.

In conclusion, I don't require Ageas to do anything else in relation to the period up until July 2024. Whilst I appreciate that this decision will come as a great disappointment to Mrs P, it's expected that the compensation of £750 and Ageas's final decision as to settlement will bring this long-running issue to a necessary final conclusion for both parties.

My final decision

For the reasons given above, I don't intend to uphold Mrs P's complaint and I don't require Ageas Insurance Limited to do any more in response to her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 21 November 2024.

Claire Jones
Ombudsman