

The complaint

Mr L is unhappy that Royal & Sun Alliance Insurance Limited (RSA) refused to pay his claim for a lost ring as part of his fire damage claim.

Mr L's broker brought the claim and complaint on his behalf. For ease of reading, I'll refer to Mr L throughout as if the actions are his.

What happened

The background to this complaint is well-known to both parties. So I've set out a summary of what I think are the key events.

Mr L had contents insurance underwritten by RSA. He claimed under the policy after fire damaged part of his home. RSA accepted his claim.

Having previously misplaced a ring in the general location of the fire, Mr L thought it was likely swept away with the fire debris. He searched through the rubbish but he didn't find the ring. On his broker's advice, Mr L asked RSA to add the ring to his fire damage claim. However, RSA said it would need to be a separate claim because the ring was lost rather than damaged by fire.

There followed some disagreement between Mr L and RSA regarding the definition of lost, so Mr L raised a complaint. However, RSA remained of the view that the previously misplaced ring was not covered under the fire peril. In its final response to Mr L's complaint about the ring, RSA also noted that it had unreasonably delayed sending an interim settlement for the fire claim to Mr L. It offered £150 compensation. Unhappy with RSA's response, Mr L brought his complaint about the claim for the lost ring to us.

Our investigator didn't think RSA had unreasonably declined Mr L's claim for his misplaced ring as part of the existing claim because it had been missing before the fire damage. However, she thought RSA's compensation offer was insufficient to address the delay. Our investigator thought RSA should increase its offer to £250 compensation.

Neither RSA nor Mr L agreed. Mr L remained of the view that his misplaced ring only became permanently lost after the fire, so it was reasonable to include it in the fire claim. RSA said Mr L didn't complain about any delays or say that its offer had been insufficient. Therefore it said it was unreasonable for our investigator to increase the award.

I issued a provisional decision in September 2024 explaining that I was intending to not uphold Mr L's complaint. Here's what I said:

provisional findings

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. My role is to look at whether RSA declined part of Mr L's claim in line with the policy, for the reasons it gave, and whether it was fair in the circumstances. I've also considered whether RSA handled the claim promptly.

The overall facts of the claim and complaint are not in dispute, so I'll focus on giving the reasons for my provisional decision.

Misplaced/lost ring

Before the fire damaged his home, Mr L didn't know where the ring was. He was sure it was somewhere in the house and thought it would turn up. Mr L said the ring was misplaced to begin with and then lost as a result of the fire. Therefore, he thinks it's reasonable to include it as part of the fire claim.

RSA said that the ring was lost before the fire, therefore it's not covered under the same claim.

I see no benefit in discussing the dictionary definitions of 'lost' and 'misplaced'. The simple fact is that the exact location of the ring was unknown at least a week before the fire, and its location is still unknown. There's no evidence that it was swept away when clearing the fire debris, and there's no evidence to show that it isn't still, simply, misplaced and within the home. It's Mr L's responsibility to show that he suffered an insured loss, but it would be unreasonable to expect him to evidence either of these possibilities.

Given that the only certainty here is that the ring's location was unknown before the fire, and remains unknown, I'm not persuaded that it should be included in the fire damage claim. Therefore, I'm minded to conclude that RSA has fairly refused to include the ring in the overall fire claim for the reasons it gave.

Delay

When RSA investigated Mr L's complaint, it identified what it considered to be a delay in issuing an interim payment for contents damaged by the fire and for alternative accommodation. Mr L didn't raise a complaint about a delay.

I can see from the account notes provided by RSA that alternative accommodation was provided by Mr L's buildings insurer, which also insured his contents in a separate part of the house. The payments due to Mr L were for RSA's contribution towards the accommodation and an interim payment for essential contents. Taking into consideration the time taken trying to contact Mr L and/or his representatives, and the communication between RSA's agents, the buildings insurer, and the other contents insurer and its agents, it seems there was a delay of around four weeks. This is the delay RSA acknowledged in its final response to Mr L's complaint and for which it offered compensation of £150.

Given that Mr L didn't complain to RSA about this delay, neither he nor RSA has provided specific comment or had an opportunity to consider fully any impact caused by the delay, or to put matters right. Therefore, I have not included this in my consideration, and I make no finding on the delay or whether the compensation RSA offered was reasonable.

In summary, my provisional decision relates only to the ring claim, and I'm not currently persuaded that RSA unfairly declined Mr L's request to add the ring to the fire damage claim. Therefore, I'm minded not to uphold his complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Responses

Mr L's broker responded to say that it was unreasonable to dismiss considering the

dictionary definitions of 'lost' and 'misplaced'. Further, he commented on the introduction of the word 'exact' in reference to the location of the ring prior to the fire, and he thought it was fair to conclude that the ring was swept away with the fire debris.

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.

I'll focus on the comments Mr L's broker made in response to my provisional decision, again referring just to Mr L.

Dictionary definitions

Mr L didn't think it was reasonable to dismiss the dictionary definitions of lost and misplaced. To be clear, I didn't dismiss them, I simply didn't think there was benefit in discussing them. That's because, when it comes to the definition, one can usually find a source to support a particular argument.

So, I considered the facts as presented to me rather than commenting on various definitions of broadly similar words.

Exact location

Mr L was unhappy with my introduction of the word 'exact' in reference to the location of the ring. He went on to provide examples of things where he might not know the exact location, but he didn't consider them lost.

The evidence Mr L first presented to me was that the ring's location was not known "several weeks" before the fire. He describes it as misplaced, with the expectation that it would turn up eventually, but it remains that he didn't know where the ring was. Mr L believed it was in his house, and he believed it was in the room where the seat of the fire was. But, as it had been missing for several weeks prior to the fire, I think it's fair to say he didn't know the exact location.

Turning to the key issue of complaint, Mr L doesn't think it was fair or reasonable for RSA to decline his request to add the lost ring to his fire damage claim. RSA said that the ring would need to be a separate claim because it was missing before the fire. While Mr L argued his point by focusing on the meaning of various words, the simple fact is that the ring was missing several weeks before the fire and was still missing after the fire. In order for his claim to succeed, he would need to show that the ring was damaged or lost as a direct result of the fire. In the circumstances, I'm satisfied that RSA reasonably concluded that, as the ring was missing before the fire, he hadn't done so.

Therefore, I see no reason to require RSA to reconsider the claim.

My final decision

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 November 2024.

Debra Vaughan
Ombudsman