

The complaint

Mr and Mrs R complain Admiral Insurance (Gibraltar) Limited's settlement of their contents insurance claim is unfair.

Mr and Mrs R are joint policyholders. They have both complained about Admiral. But for ease of reading I've only referred to Mr R. In some places, again for ease of reading, I've attributed Mrs R's actions or words to Mr R.

What happened

There was a burglary at Mr R's home. He claimed for the loss against his Admiral home insurance policy. The claim was accepted. Admiral paid a cash settlement for various stolen or damaged items. Mr R was unhappy with its decision to limit the settlement for a television to £1,000, rather than pay the full replacement cost. He complained about that and various aspects of Admiral's customer service.

In response Admiral maintained its decision to apply a £1,000 limit, for non-specified high value items, to the television settlement. But it apologised for having provided unclear information and mistakenly, initially, a full settlement. Having considered Mr R's complaint points about its customer service – including him finding it difficult to contact its staff – it accepted it had made various errors. It offered £250 compensation.

Unsatisfied with Admiral's response, Mr R referred his complaint to the Financial Ombudsman Service. He remained unhappy with Admiral's general customer service – including poor communication – and its settlement for his television. To resolve his complaint he would like a full settlement.

Our Investigator wasn't persuaded a television was considered a high-risk item under the policy terms. So she said the policy limit didn't reasonably apply, recommending Admiral settle the television claim in full. She also said it should pay Mr R an additional £100. This was to compensate him for the distress and inconvenience caused by being given misleading information about the outcome of his television claim.

Admiral didn't agree to settle the television in full or pay any further compensation. So the complaint was passed to me to decide.

I issued a provisional decision. As its reasoning forms part of this final decision I've copied it in below. In it I explained why I considered it reasonable for Admiral to apply the £1,000 policy limit to the television settlement. I also set out why I didn't intend to require it to pay any additional compensation. Finally I invited Admiral and Mr and Mrs R to provide any further comments or evidence they would like me to consider before issuing this final decision.

what I've provisionally 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr R and Admiral have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

I've first considered the policy limit applied to the television. Mr R's policy states any 'high-risk item' valued at more than the 'unspecified item limit' must be shown on his policy schedule as a 'specified item'. It explains Admiral will not pay more than the 'Specified item limit' for any single 'high-risk item' not shown on his policy schedule.

Mr R's policy schedule, under specified items, states 'No specified item cover'. No items are listed. It states any single unspecified high-risk items worth more than £1,000 must be specified to be covered to their full value.

So I'm satisfied the policy has a £1,000 limit for unspecified high value items. And that Mr R did not include the television as a specific item.

Admiral considers the television, with a replacement cost of more than £2,000, to be a 'high-risk item'. Its position is that as it wasn't 'specified' on the schedule the £1,000 limit applies.

The policy terms provide a definition of 'high-risk items'. The Investigator felt the definition didn't cover televisions – that's why she considered it unfair for the limit to be applied in this instance. Admiral doesn't accept that to be a reasonable application of the terms. I need to decide what the reasonable application is.

The policy's definition of high-risk items includes:

- Musical instruments or audio-visual, photographic or sporting equipment*
- Computers, laptops, mobile phones, tablets and electronic notebooks.*

Televisions aren't specifically referred to. But Admiral considers them to be within the category of 'audio-visual equipment'. It said a television is a device for audio-visual entertainment. I consider Admiral's point to be reasonable. A television transmits images and sound. I think it's reasonable to classify a television as audio-visual equipment.

It's also notable that the policy, although only under 'accidental damage cover', does list television sets as 'audio-visual equipment'.

Overall I'm satisfied it's reasonable for Admiral to categorise the television as 'audio-visual equipment' and consider it a 'high-risk item' under the policy terms. Mr R's television wasn't listed as a specified item so the policy limit of £1,000 reasonably applies.

Mr R said, in regard to the policy limit, he didn't receive the full policy terms. I think it's likely he did receive or have access to his policy schedule and policy summary. The summary explains limits apply to all sections of the policy. It adds Admiral will not pay more than the unspecified item limit for high-risk items not listed individually on the policy schedule. I've set out above the information given on the schedule.

So I'm satisfied Mr R was made aware of the need for high-risk items, valued above £1,000, to be specified if he wished them to be covered to their full value. I find it fair

and reasonable for Admiral, in the circumstances, to apply the limit to the television settlement.

Mr R has also said Admiral agreed to cover the television in full – as part of a complaint resolution call in early February 2024. I've considered a recording of that call. But I'm not persuaded Admiral agreed to settle the television in full. Instead Admiral's agent said the receipt for the TV should be sent in. I'm not aware of any discussion of settling above the policy limit.

Admiral did settle the television in full following that call. It said that was a mistake. Mr R was, according to Admiral's records, told prior to the call that the policy limit would apply. It was confirmed not that long after the payment was made that there had been a mistake. So I don't consider it would be fair or reasonable to require Admiral to settle in full simply because it made a genuine mistake.

So for the reasons given above I intend to find Admiral's decision to apply the policy limit to the television settlement was fair and reasonable. For that reason I don't intend to require it to pay Mr R anything more.

Mr R raised several concerns about Admiral's customer service – including its communications. I'm not going to discuss this part of his complaint in detail. Instead I'll summarise my thoughts. Admiral accepted it made various mistakes on this aspect of the claim - and that it should have provided a better service. I've considered Mr R's comments and correspondence with Admiral. Having done so, I'm satisfied its already paid enough compensation to recognise the impact of any poor service.

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.

Admiral didn't provide a response to my provisional decision.

Mr R did. In my provisional decision I'd said I wasn't persuaded Admiral had agreed, during a telephone call, to settle the television in full. He didn't accept my interpretation. He requested, and was sent, a copy of the call recording. He hasn't, having had an opportunity to listen to it, provided anything to support being told the television would be settled in full.

I haven't been provided with anything that has caused me to change the outcome I proposed in my provisional decision. So I'm not going to require Admiral to settle the television claim in full or to do anything differently.

My final decision

For the reasons given above, I don't require Admiral Insurance (Gibraltar) Limited to pay anything more to settle Mr and Mrs R's claim or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 21 January 2025.

Daniel Martin
Ombudsman