

## The complaint

Mrs H is unhappy with the service provided by HDI Global Specialty SE (HDI) after refusing to pay her claim for her stolen watch.

HDI is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. HDI has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to HDI includes the actions of any third party instructed by HDI during the course of Mrs H's claim.

## What happened

Mrs H took out home insurance with HDI in February 2020, which renewed every year in 2021, 2022, and 2023. The statement of insurance when the policy was taken out in 2020 included the following information:

<i>Specified items</i>	Yes
<i>Description</i>	[Watch]
<i>Category</i>	Jewellery/watches
<i>Value</i>	£4,500
<i>Cover away from home</i>	No

The renewal documents sent in 2023 included a schedule of insurance. The schedule of insurance included a section for '*Personal possessions*.' This was explained as follows:

*You have personal possessions cover. Please note, the sum insured for personal possessions is included in your total contents sum insured, not in addition to it.*

<i>Personal possessions cover:</i>	£0.00
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*You've chosen to insure some specified items:*

- *Watch; value: £4,500.00*

The policy booklet explained:

*Your policy covers your personal possessions for:*

### *1. Loss or damage* *What's covered*

- *Loss or damage to personal possessions anywhere in the British Isles for the duration of the policy or anywhere in the world...*

Following theft of her watch whilst on holiday abroad, Mrs H attempted to make a claim under her policy. The facts of Mrs H's claim are well known to both parties. So I haven't repeated them in detail here.

Following investigation of Mrs H's claim, HDI said it wouldn't be paying her claim. Mrs H complained about HDI's decision. HDI responded to Mrs H's complaint saying she wasn't covered as this option hadn't been selected when taking out the policy in 2020.

Mrs H was unhappy with HDI's response and brought her complaint to this Service. The Investigator didn't agree with HDI's response to Mrs H's claim. The Investigator said HDI needed to settle Mrs H's claim in line with the terms and conditions of her policy. HDI rejected the Investigator's findings. HDI said the statement of insurance made it clear that cover away from home had not been selected. As the complaint couldn't be resolved, it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So I've considered if it's fair and reasonable for HDI to have rejected Mrs H's claim. After considering the evidence, I'm not persuaded it is. I'll explain why.

HDI has relied on the statement of insurance provided to Mrs H at the time of taking out her policy as explaining the level of cover selected. Each policy is a separate contract in its own right, and effectively each renewal is a new sale. I've considered the information given to Mrs H about her policy, and specifically the cover selected, at renewal.

The schedule of insurance following the renewal of Mrs H's policy in February 2023 refers to a separate section headed '*Personal possessions*.' I've carefully considered the wording included within the section for '*Personal possessions*.' And I accept that there is £0.00 next to the specific wording for '*Personal possessions cover*.' But this is followed by a breakdown of items Mrs H had chosen to insure as '*specified items*'. As these specified items had been included under the same heading as '*Personal possessions*' I don't think the information was reasonably clear in separating whether personal possessions was applicable to specified items. HDI says it isn't. But given the lack of clarity in the wording, I don't think it's fair or reasonable for HDI to use this as a reason to decline the claim.

I think it was reasonable for Mrs H to consider that she had the benefit of cover away from home. I say this because the reference to her specified items is included directly within the heading for '*Personal possessions*'. I've seen that the policy terms and conditions explained the policy would cover '*Loss or damage to personal possessions anywhere in the British Isles for the duration of the policy or anywhere in the world...*' And I don't think the schedule of insurance clearly explains the distinction between personal possessions covered by the policy, and specified items, as relied on by HDI as a reason for rejecting the claim. So I don't consider that it should. HDI is directed to settle Mrs H's claim in line with the remaining terms and conditions of the policy.

**My final decision**

For the reasons given above, I uphold this complaint. HDI is directed to settle Mrs H's claim fairly in line with the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 31 December 2024.

Neeta Karelia  
**Ombudsman**