

The complaint

Mr L complains about AXA Insurance UK Plc (“AXA”) for declining his claim for home contents. He wants AXA to change its decision and to settle his claim in line with the policy terms.

What happened

Mr L insured his home and contents with AXA. He purchased his policy through a comparison site but was then sent policy documentation directly from AXA. AXA uses a third party to administer some of its claims and policies but as all actions taken are on behalf of AXA, I will refer to AXA throughout.

Mr L and his partner experienced a burglary whilst on holiday. Thieves accessed their home by an upstairs window and caused damage in doing so. The thieves then took various items from Mr L’s home, including jewellery, watches, sunglasses and technological equipment.

Mr L was alerted to the burglary by a neighbour, and he contacted the police and AXA whilst still on holiday. He then arranged the making safe of his home.

When he returned from holiday, he put together a list of items that had been stolen. These included cash in both sterling and other currencies and around £9000 worth of jewellery, watches and a coin collection. He estimated the total value of the stolen items to be around £17,250.

He sent this list and his crime reference number to AXA. AXA advised Mr L that he needed to demonstrate ownership of the stolen items. Mr L has provided some evidence, including a photograph of one necklace being worn and a certificate of valuation for some earrings.

AXA reviewed this and was not satisfied with the evidence provided. It therefore declined his claim in full.

Mr L was not happy with this and contacted us.

Our investigator looked into this matter and recommended that AXA settle those items which could be substantiated. One of those items was the earrings which were valued at £1850 in 2016. AXA has refused that recommendation on the basis that the earrings were not a specified item despite being above the £1500 value required for specific itemisation. AXA has refused to offer any further settlement, so the matter was referred for an ombudsman decision.

I issued a provisional decision in respect of this matter in October 2024. In that provisional decision, I set out that I thought AXA had acted unfairly in declining the claim in full. I provisionally directed that AXA should settle the claim in line with the remaining policy terms and only seek further proof of purchase where AXA had a justifiable doubt that the item had been owned. I also considered that AXA should pay to Mr L £200 compensation for unfairly declining his claim.

That provisional decision has been shared with the parties and they have been invited to comment.

Mr L has accepted the provisional decision. AXA has not accepted the provisional decision.

AXA argues that the policy wording excludes items valued above £1500 if they were not specified. AXA considers that Mr L ought to be able to evidence ownership of more of the items claimed and makes the point that many of the items stolen were high-risk items.

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 have considered the additional comments from AXA.

AXA points to the contents section of the policy wording which lists under the heading 'not covered':

*"any of the following items, **with a replacement value of £1,500 or more**, as these are Specified Items:*

- *High risk Items (either individually or as part of a collection);*
- *Electronic Gadgets (including mobile phones);*
- *Bikes"*

AXA argues that the diamond earrings valued at £1850 should be excluded on the basis of this term.

AXA also argues that it would expect Mr L to be able to provide proof of purchase for more of his items, and comments that the items claimed are mostly high-risk items. AXA considers that gifts could be proved by seeking proof of purchase from the gift giver.

I will address the second point first. I am not surprised or concerned by the fact that most of the items stolen were high-risk items. Insurers recognise that theft more frequently focusses on portable, valuable and fungible items which can be sold easily. That is why insurers place claim limits on such items.

In respect of the first point, it is not my role in this complaint to apply the policy terms and decide what the appropriate settlement is for Mr L. I will not set out my view on the term argued by AXA now in relation to the earrings as that term was not the basis of the decline decision.

Mr L's complaint to our service was that he had been treated unfairly by AXA when it declined his claim entirely rather than a settlement offer being made.

I agree that he was treated unfairly by the decision to decline in full. AXA has not alleged that the claim is fraudulent or otherwise invalid, and so it should have sought to settle the claim where it could do so, and it should have applied a proportionate approach to requiring evidence. Mr L has explained that some of the people who gifted items to him are no longer able to obtain evidence and his explanation is reasonable.

In this case, Mr L claimed for high-risk items totalling around £9200, money totalling around £3000, electronic gadgets totalling around £4000 and other items of types not listed as high-risk items in the policy wording totalling around £1600.

AXA has not applied the terms of the policy in seeking to settle the claim, and I consider it should now do so. As previously indicated, I would anticipate that AXA would apply claim limits detailed in the policy when doing so, but I would also expect that AXA take a proportionate approach to requiring proof of ownership.

AXA has not taken such an approach, and so I remain of the view set out in my provisional decision and uphold Mr L's complaint.

Putting things right

In order to put matters right, AXA must reassess Mr L's claim and seek to settle the claim in line with the remaining policy terms. For the avoidance of doubt, AXA may seek from Mr L proof of ownership of any items which it doubts was owned, but it should support Mr L in demonstrating that the items were owned by discussing alternative ways that ownership could be proved. Where there remains doubt about specific items, the benefit of doubt, particularly in respect of commonly owned items, should be exercised in favour of Mr L.

AXA should itemise its consideration of the claim and give reasons, or detail any exclusions relied upon, in respect of each item claimed so that Mr L can decide whether the settlement offer is fair. If he considers it is not, he can complain to us again within the relevant time limits from AXA's itemised decision.

When AXA has reached its settlement offer, it should also calculate interest on that amount at the rate of 8% per annum from February 2024 up until the date of settlement and add this to the sum.

AXA must also pay to Mr L £200 for his distress and inconvenience.

My final decision

For the reasons given above, and in my provisional decision, I uphold Mr L's complaint and direct AXA Insurance UK Plc to:

- Reassess Mr L's claim and calculate a settlement offer in line with the approach detailed above;
- Add to that settlement offer interest at a rate of 8% per annum from February 2024 until settlement; and
- Pay to Mr L £200 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 December 2024.

Laura Garvin-Smith
Ombudsman