

The complaint

Mrs B and Mr H have complained that Ageas Insurance Limited ('Ageas') unfairly reduced the cash settlement offered under their home insurance policy following a burglary. For the avoidance of doubt, the term 'Ageas' includes reference to its agents and representatives for the purposes of this decision.

What happened

Unfortunately, Mrs B and Mr H experienced a burglary at their home in early April 2023 and realised that valuable items had been taken from their home. Mrs B and Mr H reported the loss to Ageas as their home insurers at the relevant time. Ageas originally made an offer of settlement for just over £10,000. It later amended this figure to £30,000. However, it then further reviewed the settlement figure, citing non-compliance with a policy endorsement. It then offered just under £11,000 in settlement. The relevant endorsement meant that if there was a claim for any specified item worth more than £5,000, then the customer must have a professional valuation no older than 5 years to confirm proof of current value and ownership.

Mrs B and Mr H were unhappy about Ageas's final offer. Following complaint, Ageas maintained its stance. In the circumstances, Mrs B and Mr H referred their complaint to this service. The relevant investigator upheld the complaint. She considered that an original receipt produced by Mrs B and Mr H for certain gold items, including their weight, was sufficient proof in the light of the valuation also carried out by Ageas's agent. She didn't consider it fair and reasonable for Ageas to rely on the endorsement in the circumstances. She recommended that Ageas re-assess the claim without relying on the endorsement, and that it should also pay Mrs B and Mr H £150 in compensation.

Ageas didn't agree with the investigator's view. In the circumstances, the matter has been referred to me to make 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 applied the terms and conditions of its policy in a fair and reasonable manner in reducing the settlement which it offered to Mrs B and Mr H. I don't consider that it acted in a fair and reasonable manner in all respects, and I require Ageas to re-assess this claim. I'll explain why.

In reaching this decision, I've also carefully considered the submissions of the parties as summarised below. I firstly turn to Mrs B and Mr H's submissions. They explained that the initial offer had been made in August 2023. However, they felt that Ageas had overlooked specified gold items valued at £20,000. Ageas then sent a revised offer in November 2023 for just over £30,000 which Mrs B and Mr H accepted; however, no payment was made. Mrs B and Mr H then chased Ageas in February 2024 and Ageas then explained the issue regarding the policy endorsement.

Mrs B and Mr H said that Ageas then sent a further e-mail in February 2024 with the new revised offer of settlement of just under £11,000, which Mrs B and Mr H declined. They considered it unfair for Ageas to have introduced a new condition two-and-a-half months after the offer of £30,000 and that it refused to honour what had been proposed and accepted. They considered this to be unprofessional.

Mrs B and Mr H said that they were assured that they were covered by their contents' insurance. They said that they were now really scared living at the property and spent money in getting a secure door, plus a new alarm system. They felt that Ageas had never wanted to co-operate as Mrs B and Mr H made all the phone calls and did all the chasing up. In conclusion, they considered that Ageas had reviewed the terms and conditions to *'seek loopholes as to how not to pay us out...'* They felt let down as they'd complied with all reasonable steps and measures and found the outcome disappointing and disheartening.

I now turn to Ageas's submissions in response to Mrs B and Mr H's complaint. Its initial settlement offer had been calculated to reflect single article limits in the policy. It explained that following completion of pricing enquiries, it reverted to settlement discussions and noted the relevant endorsement on the policy. This endorsement required a professional valuation no more than five years' old for certain specified jewellery items worth over £5,000. It would also need to confirm current value and ownership of items. As Ageas considered that Mrs B and Mr H didn't have this necessary evidence for these items, these fell outside policy cover.

In terms of the chronology of events, Ageas said it received the full list of stolen items in mid-May 2023 and it appointed jewellery experts to assist with validation of the claim. At the end of July 2023, Ageas made a payment of £2,400 for replacement of damaged windows and door. At the end of August 2023, Ageas's agents noted that Mrs B and Mr H had advised that certain stolen items were specified on the policy. At the time of the initial offer, Ageas said that it hadn't been made aware of the theft of specified items. However, its agent then revised the settlement offer to include these items. Following the policy review however, this confirmed the details of the endorsement. This in turn led to the reduced settlement offer.

Ageas said that it had adjusted the settlement offer to reflect the limit of liability for the stolen items of jewellery. In summary, it explained that as it was unaware of the loss of the specified items at the outset, it hadn't been in a position to notify its agents of the correct level of cover and any endorsements at that stage. It said that in the interests of treating all customers fairly, it was *'bound to adhere to the terms and conditions of the policy purchased – including any relevant endorsements.'*

I now turn to the reasons for my final decision. The starting point is the wording of the relevant policy documents. In this case, I note that the policy schedule includes, under the heading *'specified item,'* a generic description of *'Indian gold 22 carat'*, and the maximum claim limit is specified as being £20,000. Whilst it's not entirely clear, I consider that on the balance of probabilities, Mrs B and Mr H intended to include all of their various items of 22 carat gold within that generic description (including those originally purchased for £8,200 and hadn't appreciated that listing specific individual items would have allowed them to potentially claim for items worth over the individual limit should unfortunate losses arise.

The schedule also includes a clear endorsement under the heading *'Valuation Requirement'*. The endorsement states: *'If you have a claim for any item worth more than £5,000, shown on your schedule, you must have a professional valuation of no older than 5 years to confirm proof of current value and your ownership. You will not be covered for the item unless the terms and conditions above are complied with.'* I've also noted that the schedule makes it clear that *'the following individual limits apply'* and it specifies that *'the maximum for any one item of valuables in the home is £2,500.'*

I note that Mrs B and Mr H have been able to supply a receipt for certain 22 carat gold jewellery items purchased in 2010 for £8,200 and these items have now been collectively valued by Ageas's agents at over £20,000. However, the items weren't given individual prices in 2010 and have not been valued separately by Ageas's agents as they've been described as one '*jewellery set*.' On the available evidence and, looking at the specific wording of the endorsement, there is no evidence that there is a claim for any individual item (or at least items considered to be a pair, such as earrings) worth more than £5,000. Whilst I appreciate that Mrs B and Mr H may themselves have viewed these items as being one jewellery set, a set doesn't fairly and reasonably equate to the ordinary meaning of the phrase '*any item*'. In conclusion and based on the available evidence, I'm not satisfied that the endorsement can be fairly applied to any of the items. Unfortunately for Mrs B and Mr H however, this also means that there's insufficient evidence of the value of any individual item being specified in order to benefit from any additional cover.

A difficulty also arises in relation to the validation report of Ageas's professional agents. They made it clear that they'd been provided with very little substantiation in terms of paperwork and documents to verify the loss of the items claimed. It also made it clear that following a successful claim, any items would need to be replaced with similar items rather than any voucher being issued. In view of these concerns, it's not clear how Ageas then reached the decision to make its various settlement offers.

Furthermore, it's unfortunate that this service had not been provided with details of Police involvement in this matter, particularly in the light of the significant sums involved. Any Police report would no doubt assist Ageas's agents in verifying the circumstances of the burglary and would confirm the details of stolen items. It would also of course provide information as to whether any of the relevant items have been recovered.

On the balance of probabilities and on the available evidence therefore, I'm not satisfied that the schedule endorsement applies in this case. This is because items and their values haven't been specified with sufficient clarity. In the circumstances, Ageas in conjunction with its agents, will now need to urgently consider whether it needs to seek further documentary or photographic evidence, and to decide what else may be required to progress the claim. It will also be required to re-assess any appropriate settlement offer, bearing in mind the effect of the way in which a generic description has been included under the specified items heading, and also bearing in mind the individual limits contained in the schedule

I've also considered the overall service by Ageas, and I consider that it's fallen short of service expectations in this case. It appears that there have been communication failures with its own agent which has caused unnecessary confusion and delays in ensuring a clear, prompt, and robust validation process. Whatever the ultimate conclusion of this claim, the provision of wildly different settlement figures to Mrs B and Mr H will have raised expectations and will have no doubt caused frustration and disappointment. I therefore require Ageas to pay Mrs B and Mr H £150 in compensation for the inconvenience caused.

My final decision

For the reasons given above, I uphold Mrs B and Mr H's complaint to the extent that I require Ageas Insurance Limited to do the following in response to their complaint: -

- To promptly re-assess Mrs B and Mr H's claim as above, without relying on the relevant endorsement, and in line with the remaining terms and conditions of the policy
- To pay interest on any settlement amount, calculated from the date the initial settlement offer was made, until the date of any payment at 8% a year simple interest*

- To pay £150 compensation to Mrs B and Mr H for the distress and inconvenience caused by the way the claim has been handled

*If Ageas considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs B and Mr H how much it's taken off. It should also give Mrs B and Mr H a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr H to accept or reject my decision before 6 February 2025.

Claire Jones
Ombudsman