

The complaint

Mr and Mrs D complain about how AXA Insurance UK Plc have dealt with their claim following a burglary at their home. They're unhappy with delays with the claim and that AXA won't cover their claim for stolen jewellery without further proof of ownership.

What happened

Mr and Mrs D have household buildings and contents insurance with AXA. Following a burglary at their property in August 2023 they submitted a claim for damage caused to their property by the thieves and for their stolen belongings.

AXA appointed loss adjustors to assess and validate Mr and Mrs D's claim, but because of the value of the items being claimed for it took some time for the claim to be accepted. AXA required sight of the police report and it took some considerable time for this to be provided.

Once the police report was received AXA confirmed that the claim was accepted and have now settled the parts of the claim that aren't in dispute up to the relevant policy limit.

One of the items stolen during the burglary was a safe containing cash and jewellery which had belonged to Mrs D's parents.

The loss adjustors appointed by AXA asked Mr and Mrs D to provide proof of ownership of the stolen jewellery. They provided photographs of Mrs D's parents wearing certain items of jewellery and documents from a jeweller who'd assessed the jewellery in March 2023. AXA didn't accept these as sufficient proof of ownership and in the absence of further evidence, declined most of this claim.

Mr and Mrs D raised complaints about this and about delays with their claim. AXA provided several final response letters and didn't uphold the complaints, although they did pay £25 compensation, as a goodwill gesture, for their delay in dealing with one of the complaints.

Unhappy with AXA's response Mr and Mrs D referred their complaint to our service.

Our investigator considered the case but didn't think AXA needed to take any action. In respect of the delays with the claim he said AXA hadn't upheld these as they were waiting for the police report to help validate the claim. This was requested in November 2023 but wasn't received until 26 March 2024. He said we wouldn't expect insurers to request a police report in every burglary claim.

But in this case it was requested once concerns arose about the ownership and value of the items of jewellery. And once it was requested we couldn't hold AXA responsible for the delay in it arriving, as this was outside their control.

So he was persuaded it was reasonable for AXA to apply for the police report in this case, and he didn't think there were any unavoidable delays they were responsible for.

Mr and Mrs D had told us they felt they'd been treated like criminals by AXA. Our investigator said that insurers need to validate all claims. And in this case a large amount of

cash was stolen along with numerous items of jewellery with a high combined value. So AXA had to validate the loss, but this didn't mean they thought Mr and Mrs D had acted improperly.

He then considered the declined jewellery claim which he said was Mr and Mrs D's main concern. In looking at this he said his starting point was to look at what their policy terms and conditions say a consumer must do after making a claim. This is set out on page 19 of their policy booklet which says: -

"To help prove your claim we may require you to provide documentation as detailed in 'Proof of your claim and its value' below."

And: -

"Proof of your claim and its value

It is your responsibility to prove any claim. To help prove your claim we may require you to provide original purchase receipts, invoices, bank or credit card statements, instruction booklets, photographs, proof of authenticity, utility bills, pre-purchase surveys, plans and deeds of your property or other documents we may reasonably require."

Our investigator said these terms were clear, not unusual and are common to contents policies. So as they weren't unreasonable he needed to consider if AXA had applied them fairly to Mr and Mrs D's claim.

He said the onus is on a policyholder to prove their claim. And insurers are entitled to validate claims before they accept them. So generally we say it's fair for insurers to ask for proof of ownership and value before accepting a claim, particularly for high value items.

He went on to say that we wouldn't expect an insurer to require proof of ownership for every stolen item, provided it could be provided for most. But if a consumer is unable to evidence most of the items, we generally think it's fair for an insurer to insist on proof of ownership being provided before it settles the claim, and to only settle the claim for items where such evidence has been provided.

Mr and Mrs D had provided photographs of Mrs D's parents wearing some of the items of jewellery and an assessment from a firm of jewellers. Our investigator considered these but said they didn't show they owned the items. And the assessment provided by the jewellers was in the name of Mrs D's sister who didn't live with them. She didn't fall within the policy definition of "family", so she wasn't a beneficiary of the policy and wasn't entitled to make a claim.

Mrs D had told us the jewellery was left jointly to her and her sister when their parents died. Our investigator said he'd thought carefully about this but said it was reasonable for AXA to ask for proof of ownership in line with the policy wording before they accepted a claim. And he wasn't persuaded the evidence provided showed Mrs D owned the items at the time of the loss. So he didn't think it was unreasonable for AXA to say they wouldn't meet the claim without further proof. And he said if further proof was provided AXA may reconsider the jewellery claim.

AXA had agreed to settle Mr and Mrs D's claim for one item of jewellery, a pair of diamond earrings where a receipt had been provided. AXA had said they could appoint their jewellery specialists to remake the earrings, issue vouchers up to their replacement value, or provide a cash settlement based on the cost of remaking them. Our investigator said this was in line with the policy terms and conditions and he didn't think the offer was unfair.

Mr and Mrs D weren't happy with our investigator's opinion. They said they didn't see the point in insurance if someone could steal their belongings and AXA didn't have to cover their claim due to small print in their policy.

Our investigator responded saying that while he understood that they were disappointed he could only consider whether AXA had acted fairly and in line with the terms of their insurance policy. And for the reasons he'd explained he was satisfied that they'd been treated as AXA would treat any other customer in the same circumstances.

The case has now come to me for a 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.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS says that insurers must handle claims promptly and fairly and shouldn't unreasonably reject a claim.

So I need to consider the terms and conditions of Mr and Mrs D's policy and the circumstances of their claim to determine whether AXA handled their claim fairly.

Looking firstly at the issue of delay this was due largely to the time it took for AXA to obtain the police report regarding the burglary. While in many cases we wouldn't consider it reasonable to obtain a police report given the time this often takes, given the potential value of this claim I don't think AXA acted unreasonably in requesting the police report. And once they requested it the time it took for this to be received wasn't something they couldn't control.

I've listened to the call Mrs D made to AXA to report the burglary and register a claim. It was clear from that call that this was going to be a substantial claim. During the call Mrs D told AXA that in addition to the large amount of jewellery in the stolen safe there was also around £40,000 in cash. Mrs D was told during the call that there was a cover limit of £750 for cash under the policy.

I've said this to illustrate that AXA are only required to meet claims that are covered by Mr and Mrs D's policy. I understand that the burglary will have been very distressing for them, particularly coming so soon after the loss of Mrs D's parents. But regardless of the difficult circumstances what AXA are required to do is to meet Mr and Mrs D's claim in line with the policy terms and conditions.

I've set out in the background what Mr and Mrs D's policy says about providing evidence in support of a claim, and I think the policy terms and conditions are clear. And as the need to provide proof of ownership and value is a fairly standard condition seen in contents insurance policies, I don't agree with Mr and Mrs D's comment that AXA are using small print to avoid paying their claim.

In support of their claim for the stolen jewellery Mr and Mrs D have provided photographs of her parents wearing some of the items of jewellery, and an assessment of the jewellery in the name of Mrs D's sister. They've also provided us with a copy of the grant of letters of administration of Mrs D's fathers' estate. And a copy of the grant of probate of Mrs D's mothers' estate.

Mrs D has told us that her parent's estates were to be shared equally by her and her sister. But I've not seen anything to confirm this. The grant of letters of administration and grant of probate simply confirm the value of the deceased's estates and who has been appointed as administrator and executor.

While the photographs of Mrs D's parents wearing some of the items of jewellery show they owned these items, they don't show they were left to her. And a valuation/assessment in her sister's name doesn't prove that she owned 50 percent of the stolen jewellery.

If there were just one or two items of jewellery Mr and Mrs D were claiming for where receipts or proof of ownership couldn't be provided, then I'd say that AXA were being unreasonable in not accepting the claim. But the claim is a substantial one and AXA have confirmed they'll deal with the claim for the diamond earrings where a receipt has been provided.

So I'm not persuaded that AXA delayed the claim or that they've been unreasonable in requesting further proof of ownership of the jewellery which forms the substantial part of Mr and Mrs D's claim. But if they're able to provide further evidence that they owned the jewellery they've claimed for I'd expect AXA to consider this.

My final decision

For the reasons set out above my final decision is that I don't uphold Mr and Mrs D's complaint about AXA Insurance Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 11 February 2025.

Patricia O'Leary
Ombudsman