

The complaint

Mr H complains that AXA Insurance UK Plc declined his home insurance claim for a damaged ring.

Mr H is the sole policyholder. He is represented in this complaint by his wife but for ease of reference I'll just refer to Mr H. My references to AXA include its agents.

What happened

Mr H has home insurance, AXA is the insurer of the relevant contents section in the insurance policy. In early May 2024 he claimed on the policy when the diamond solitaire from his wife's ring fell out and was lost.

AXA declined the claim. It said as the ring was worth more than £5,000 the policy terms required the ring to have been inspected by a qualified jeweller within three years of any claim, which hadn't happened. AXA explained that as the ring hadn't been inspected in the three years before the claim it wasn't clear whether the ring's claw had been damaged to lose the diamond solitaire or whether the loss was due to usual wear and tear on the ring.

Mr H complained to us. In summary he said:

- After AXA declined the claim he asked a qualified jeweller to inspect the ring and provide a report which he'd sent to AXA. The report said the ring was in good condition but had evidence of damage indicating it had suffered a blow sufficient to dislodge the diamond solitaire.
- The policy wording AXA relied on was ambiguous. The term said an inspection of the ring was required "*within three years of any claim*" so that included the three years after the claim. He'd provided an inspection report in that period. If AXA meant it wanted evidence of an inspection before a claim is made then it must make the requirement clear, but it had failed to do so. As the wording is ambiguous it should be interpreted in his, the consumer's, favour.
- Anyway, as the requirement for inspection only applied to jewellery "*worth more than £5,000*" AXA should provide cover up to £5,000.
- He and his wife had been very upset at the loss of the ring and the stress of dealing with AXA.

Our Investigator considered that AXA had unfairly declined the claim. He recommended AXA reassess the claim in line with the remaining policy terms.

Mr H accepted our Investigator's recommendation but AXA disagreed and wanted an Ombudsman's decision. In summary AXA said:

- The policy wording "*within three years of any claim*" should be understood in its ordinary usage, which typically refers to something happening before an event (the

claim) happened.

- The policy requirement for regular inspections was to ensure the ring was in good condition before any potential loss or damage occurred. It's standard practice across the insurance industry to require maintenance or inspections to be carried out before a claim is made. If the inspection happened after the claim it would defeat the purpose of evaluating the item's condition before the damage/loss.

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 relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I think AXA's decline of the claim was unreasonable, I'll explain why.

Mr H's policy schedule shows that the diamond solitaire is listed as insured for the sum of £6,000 under *"Specified items within and away from the home"*.

The policy says AXA will cover the ring *"for loss or damage caused by physical damage"* and that:

"To make a successful claim, jewellery or watches individually Worth more than £5,000 will need to have been inspected and fixed (where a fix is needed) by a Qualified Jeweller within three years of the claim being made".

I understand Mr H's point why he considers the wording *"within three years of the claim being made"* to be ambiguous. If I agreed the wording is ambiguous then he had the ring inspected within the relevant period, as the inspection of the ring was within three years after the claim. If I didn't agree that wording was ambiguous, and accepted AXA's explanation that *"within three years of the claim"* meant before the claim occurred, then on a strict interpretation of the policy terms there's no cover under the policy as the ring wasn't inspected within three years before the claim was made.

However, I think I don't need to make a finding as to whether the policy wording is ambiguous. That's because, even if the claim wasn't covered by a strict interpretation of the policy wording, I need to decide what's a fair and reasonable outcome of this complaint in these particular circumstances.

I've seen the report about the ring dated 21 May 2024. I'm satisfied the report was done by a "Qualified Jeweller" as defined by the policy terms. The qualified jeweller saw the ring after the diamond solitaire had been lost. The report says:

"All four claws are sturdy and cannot be manipulated. The top left claw (reference is made to a photo in the report) has a large dent which would indicate some force having been applied to it. All the incuts where the stone would have sat are deep and in place, and in my opinion, would have held the stone securely (reference is made to another photo in the report). In my opinion the ring may have taken impact sufficient to dislodge the stone".

So the qualified jeweller's opinion is the claws holding the diamond solitaire were *"sturdy"* and that the ring received a knock of *"some force"* which caused the diamond solitaire to be dislodged and lost.

AXA said the requirement for regular inspections of the ring is to see if there was anything wrong that might lead to a loss so the ring could be repaired to prevent any loss. I'm satisfied from the evidence in the qualified jeweller's report that the ring was of good condition before the loss of the stone – *“all four claws are sturdy and cannot be manipulated”* and *“all the incuts where the stone would have sat are deep and in place, and...would have held the stone securely”*. The report concludes that the diamond solitaire fell out after a forceful impact. The policy covers loss or damage to the ring caused by physical damage.

Given the evidence in the report from the qualified jeweller I don't think there was anything wrong with the ring that might lead to a loss before the diamond solitaire was lost. So I think AXA's position wasn't prejudiced by the ring not having been inspected within three years before the claim was made.

In these particular circumstances, for the reasons I've set out above, I think it was unreasonable for AXA to decline the claim. AXA must reassess the claim in line with the remaining policy terms. The reassessment should be based on the full sum insured for the ring and not £5,000 as Mr H suggested might have been reasonable as a minimum.

My final decision

I uphold this complaint and require AXA Insurance UK Plc to reassess the claim in line with the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 February 2025.

Nicola Sisk
Ombudsman