

The complaint

Mr P has complained about the amount Liverpool Victoria Insurance Company Limited (“LV”) offered for a claim he made under his contents insurance policy.

Reference to LV includes its agents and representatives.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mr P took out a buildings and contents policy through an independent intermediary, underwritten by LV. It renewed up to and including December 2023.
- In 2024, Mr P got in touch with LV after items of contents were stolen from his home.
- LV accepted the claim. It valued his stolen jewellery at over £28,000 and offered to settle this part of the claim for that amount. Later that day, LV said there had been a mistake as there was a policy limit of £16,500 for jewellery cover and offered that amount instead. The other parts of the claim were settled separately.
- Mr P didn’t think this was fair. He said the policy documents hadn’t been clear about this limit. And, if they had been, he would have ensured he was fully insured. LV maintained its position.
- Our investigator thought LV had acted fairly as he found the 2023 renewal documents to be clear about the policy limit.
- Mr P disagreed. He noted the policy said there was a limit of £16,500 for ‘valuables’, but it didn’t specifically mention ‘jewellery’. So it wasn’t clear this was included. And he didn’t think the valuables limit was sufficiently prominent in comparison to the overall contents policy limit.
- An agreement wasn’t reached, so the complaint has been referred to me.

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 can’t consider the original sale of the policy, as that was carried out by an independent intermediary – which LV isn’t responsible for. Mr P is entitled to complain about that separately if he wishes. My focus will be on the 2023 renewal of the policy – which LV is responsible for.
- When renewing the policy, LV is required to provide Mr P with information which is clear, fair and not misleading. As part of that, it should prominently highlight any terms which are significant, unusual or onerous. Mr P can then make an informed

decision about whether the policy is right for him, including whether he needs to make any changes to the cover provided.

- In my view, a policy limit for valuables on a contents policy is significant, so I would expect it to be prominently highlighted. I'd also expect it to be reasonably clear what items the limit applies to.
- Prior to the 2023 renewal, LV got in touch with Mr P to set out the renewal terms. Early in the document, it set out the total limits he would have for buildings and contents, with the latter being up to £50,000.
- Later in the document, there was a page called 'your cover and limits' which repeated the buildings and contents total limits and set out a number of other limits. Included within this list, it said there was a £16,500 limit for 'valuables'. It went on to say a definition for the word valuables could be found in the terms and conditions. The terms and conditions definition of valuables includes jewellery.
- The same set of information was repeated when the renewal was confirmed.
- So I don't think there's any doubt the limit applies to jewellery and LV is therefore entitled under the policy to limit the claim offer for jewellery to £16,500.
- But I think the main point of Mr P's complaint is that LV didn't make this clear in the policy documents – so it would be unfair for it to limit the claim in this way.
- The 2023 renewal documents aren't, in my view, particularly long or densely packed with information. The list of limits is on page five and there isn't too much information to read before reaching it. The list itself is set out clearly and isn't, for example, deep within a large policy booklet. And the valuables limit is repeated in the Insurance Product Information Document – effectively a two page key facts document. So I'm satisfied the limit was prominently highlighted.
- Mr P seems to accept the list includes £16,500 for valuables and I think it's clear it does. He notes it doesn't define valuables and I agree with that. It refers him to the terms and conditions for a definition. It's relatively easy to find within the terms and conditions – and clearly includes jewellery. But, nonetheless, I'd usually expect to see the definition for something significant contained within the renewal document.
- Arguably, that means the renewal documents could have been clearer, as they could have set out the valuables definition. So, I think it's fair to consider what Mr P ought reasonably to have understood by the word valuables without any definition.
- In my view, it would generally be reasonable to consider that valuables would include jewellery. I think for many people jewellery would be the primary thing they would associate with the word valuables. That's supported by basic online searches. Or, to put it another way, I don't think it would be reasonable to assume jewellery didn't amount to valuables in these circumstances.
- Overall, whilst the documents could have been clearer, I'm satisfied they prominently highlighted the valuables policy limit – and that reasonably included jewellery. As a result, I'm satisfied LV took reasonable steps to provide Mr P with information which was clear, fair and not misleading. So I consider it was fair and reasonable for LV to rely on the limit when offering to settle the claim.

- It's disappointing to see the initial offer mistakenly didn't take into account the limit. Mr P would have suffered a loss of expectation to think his claim would be settled for over £28,000, only to find out it would actually be settled for around £12,000 less than that. But I bear in mind this mistake was put right on the same day, so I don't think LV added materially to Mr P's distress and inconvenience. As a result, I'm not going to require LV to pay compensation for the mistake.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 March 2025.

James Neville
Ombudsman