

## **The complaint**

Ms M is complaining about the amount U K Insurance Limited ('UKI') has paid after she made a claim on her contents insurance policy.

## **What happened**

In November 2022 Ms M contacted UKI to say her house had been burgled and looked to claim for the loss from her contents insurance policy. She said she had around £40,000 worth of jewellery. However, the call handler set out she only had cover for £8,946 for valuables. UKI asked Ms M why she didn't tell it when the policy was taken out and in subsequent renewals that she had £40,000 worth of jewellery. Ms M said she didn't know she had to.

UKI later wrote to Ms M and said it would only pay her £8,946 for the jewellery in addition to her other contents lost. Ms M thought UKI was being unfair. She said the jewellery was inherited from her mother. And she said it was a difficult time for her. She also said her policy had a contents sum insured of around £30,000 so doesn't understand why UKI's not paying that amount.

UKI maintained it wasn't required to pay more than the sum insured. But it acknowledged it caused some delays at the start. So it offered to pay her £50 in compensation. Ms M still didn't think UKI was being fair. So she referred her complaint to this Service.

Since Ms M referred her complaint to this Service, UKI said it would pay a further £300 in compensation for the delays it caused.

Our Investigator didn't uphold this complaint as she didn't think UKI was being unreasonable in the claim decision it made. She acknowledged it had caused some delays in the handling of the claim at the start. But she thought UKI's offer of £350 in compensation was fair.

Ms M still didn't think it was fair and she asked that the matter be considered with compassion. She said the jewellery was her mother's legacy; the only physical memories she had left of her after she passed away. Ms M said losing the jewellery was already heartbreaking, but to now be told that she won't be fairly compensated feels unbearable. She said she had no idea her mother's jewellery was worth so much. She said she would of course have insured it properly had she known. And she said it was just an honest mistake made at a really difficult time. And she feels she's being unfairly punished for an innocent mistake.

As Ms M didn't agree with the Investigator, the complaint's been passed to me to decide.

## **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 naturally fully sympathise with the situation Ms M has found herself. I can only imagine how

upsetting it must have been to have her mother's jewellery stolen. And I was sorry to hear about the upset this has caused her. But I can't say UKI has settled her claim unfairly. I'll now explain why.

The terms of the insurance policy set out the following:

*"The most we will pay for any claim will be:*

- *the Personal Possessions sum insured shown on your schedule*
- *£1,000 for any one item, set or collection unless your schedule shows otherwise."*

This is a standard term for any contents insurance policy – i.e. an insurer will not pay more than the sum insured on the policy. The sum insured is generally set out by the policyholder when they take out the insurance policy and is set out in the schedule of insurance. And the schedule sets out the valuables limit is £8,946.

Furthermore, the policy also says:

*"Items valued over £1,000 (e.g. jewellery & watches, works of art) should be specified on your policy to ensure they are covered for their full replacement value."*

UKI has estimated that around half of Ms M's jewellery was each individually worth more than £1,000. So Ms M should have disclosed these to UKI.

Ultimately UKI was not required to pay more than £8,946 for her jewellery under the terms of the policy. I recognise Ms M thinks UKI is being unfair in limiting the amount it would pay. But it was her responsibility to ensure she was adequately insured.

Ms M said she didn't know how much the jewellery was worth. But, as I said, it was her responsibility to ensure she was adequately insured. But I'm also conscious that, when she first contacted UKI to report the claim, I understand she set out she was looking to claim for around £40,000 worth of jewellery. So I think she did have a reasonable understanding of the value of her jewellery.

UKI has set out it wouldn't have insured Ms M had it known the true value of all her contents. But it hasn't taken this into consideration in assessing the claim. And I think Ms M would actually have been in a worse position had it done so – which it was entitled to do.

So, taking everything into consideration, I cannot say UKI has acted unfairly in assessing Ms M's claim.

I think UKI could have been more pro-active at the start of the claim in making its claim decision – it seems it took several months to decide what it was willing to pay under the claim. But I'm also conscious Ms M caused several delays herself in providing information UKI required to settle the claim. Overall I think UKI's compensation offer of £350 is fair compensation. So I don't think it need to pay more than this.

### **My final decision**

For the reasons I've set out above, it's my final decision that U K Insurance Limited's compensation offer of £350 is fair. It should pay this to Ms M if it hasn't already done so. And I don't require it to pay anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 April 2025.

Guy Mitchell  
**Ombudsman**