

The complaint

Mr and Mrs L complain that Fairmead Insurance Limited (“Fairmead”) unfairly declined cover following the theft of a gold bar and silver block, under their home contents insurance policy.

What happened

Mr and Mrs L’s home was burgled. They contacted Fairmead to make a claim. It paid out on some of their losses but declined to cover a gold bar and a silver block that had been stolen. Mr and Mrs L say they considered these items to be classed as personal possessions under their policy. But Fairmead told they fall under fine art or antiques. But as Mrs and Mrs L hadn’t taken this particular cover their claim was declined.

Mr and Mrs L didn’t think they’d been treated fairly. They say Fairmead told them the gold and silver wouldn’t be considered under contents other than as fine art or antiques, and it didn’t fall under the definition of valuables. Mr and Mrs L didn’t think this was reasonable and referred their complaint to our service.

Our investigator upheld Mr and Mrs L’s complaint. She didn’t think the stolen items could reasonably be categorised as fine art or antiques and didn’t fall under the definition of valuables. Our investigator says the remaining section of the policy these items can be classed under is contents and personal belongings. She says Fairmead should accept the claim and consider reasonable costs for replacing these items. In addition, she says it should pay Mr and Mrs L £200 compensation for the time it took to deal with their claim.

Fairmead didn’t accept our investigator’s findings. As an agreement wasn’t reached the complaint has been passed to me to decide.

I issued a provisional decision in February 2025 explaining that I was intending to uphold Mr and Mrs L’s complaint. Here’s what I said:

provisional findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so my intention is to uphold Mr and Mrs L’s complaint. However, their concerns about claim delays weren’t included in their initial complaint to Fairmead. Under the Financial Conduct Authority (FCA) dispute resolution or DISP rules, this means I can’t consider these points in my decision here.

I’ve looked at the relevant terms and conditions that apply to Mr and Mrs L’s claim. Section two of their policy booklet sets out the cover provided for fine art and antiques. This is what Fairmead says the gold bar and silver block are defined as under its policy. It defines fine art and antiques as:

“All items of an antique nature or of artistic merit, including but not limited to furniture, pictures, paintings, prints, drawings, photographs, books, manuscripts, tapestries, rugs, gold,

silver, gold or silver plated articles, items made of precious metals and/or precious stones, sculptures, ceramics, porcelain, china, glassware, clocks, barometers, statues, stamps, coins and medals, all forming part of a collection. Fine art and antiques does not include valuables."

An online dictionary defines 'antique' as something that is often collectable, such as a piece of furniture or artwork that has a high value because of its age and quality. Artistic merit is defined as the artistic quality or value of any given work of art, music, film, literature, sculpture, or painting.

Fairmead's definition of art and antiques includes gold and silver items. But these items must also be of an antique nature or of artistic merit. I haven't seen any evidence that shows the gold bar and silver block are antiques or have artistic merit. So, I don't think they can reasonably be categorised in this way.

"Valuables" are defined as, "jewellery, watches, furs, guns". I don't think this definition reasonably encompasses a gold bar and a silver block.

The remaining cover is described in Mr and Mrs L's policy schedule as, "All Household Contents and Personal Belongings (excluding Fine Art and Antiques, Valuables and Tenants Fixtures and Fittings)". I can't see that there is a specific exclusion for a gold bar or silver block from Fairmead's contents cover. I don't think these items reasonably fit within the categories previously mentioned. So, it's reasonable that they're covered under this section, subject to the policy limits.

I think it's reasonable for Fairmead to add 8% simple interest to the delayed payment for these items. It should calculate this from one month after the claim was registered until payment is made. I think this allows a reasonable period for Fairmead to have validated the claim. From the records a report was completed prior to this time that says liability was accepted. So, I think this timeframe is reasonable for the interest payment.

As discussed I can't consider the issues relating to claim delays here. But I do accept that Mr and Mrs L have been inconvenienced and frustrated by the unfair decline of their claim. In these circumstances I think it's fair that Fairmead pays them £100 compensation.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Mr and Mrs L responded to say they accepted my provisional findings.

Fairmead didn't respond with any further comments or information for me to consider.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint. Fairmead Insurance Limited should:

- settle Mr and Mrs L's claim under its household contents/personal belongings cover, and pay 8% simple interest* on the settlement amount, calculated from one month after the claim was registered until payment is made; and
- pay Mr and Mrs L £100 compensation for the frustration and inconvenience its unfair decline decision caused them.

*If Fairmead considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs L how much it's taken off. It should also give them a tax deduction certificate 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 Mr and Mrs L to accept or reject my decision before 25 April 2025.

Mike Waldron
Ombudsman