

The complaint

Mrs G and Mr G complain about the amount Advantage Insurance Company Limited ('Advantage') agreed to pay on a claim made on their home insurance policy.

What happened

In October 2024, Mrs G and Mr G's car was stolen from their front drive. At the time, the car contained various personal possessions. So, Mrs G and Mr G contacted Advantage to make a claim for these personal possessions on their home insurance policy.

Advantage assessed the claim, and wrote to Mrs G and Mr G to say it agreed to a settlement of £1,000 less their policy excess of £200.

Mrs G and Mr G complained that the settlement amount was far less than the value of their stolen possessions and that they hadn't been informed there was a limit when they made their claim.

Advantage provided a final response to this complaint on 4 November 2024. It said the policy contained a limit of £1,000 for any theft of personal possessions from a car, so it didn't think it had acted unfairly by not paying more than this. However, it acknowledged it was poor service to not inform Mrs G and Mr G of this limit when they registered their claim and to put this right it agreed to waive the £200 policy excess in addition to paying a further £50 compensation.

However, Advantage decided to update its response to the complaint. And it provided Mrs G and Mr G with another final response on 6 November 2024. In this final response, Advantage maintained its position that the policy terms limited the claim to £1,000 due to the personal possessions being stolen while in a car, but as a gesture of goodwill it wouldn't apply this limit and would instead settle the claim to the full personal possessions policy limit of £1,500. In addition to this, Advantage also agreed to waive the policy excess and pay £500 compensation.

Mrs G and Mr G remained dissatisfied, so they brought their complaint to us. Our investigator said she thought it was reasonably clear in the policy terms that the limit for personal possessions was £1,500 and she thought by waiving the excess and agreeing to £500 compensation Advantage had provided a fair and reasonable response to the complaint.

Mrs G and Mr G didn't agree. They said they weren't told about their policy limit which wasted their time since they submitted a claim for all their stolen possessions, and they still thought it was unfair Advantage hadn't paid the full claim.

Because Mrs G and Mr G didn't agree, the complaint was referred 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.

Having done so, while I understand Mrs G and Mr G will be disappointed, I think Advantage has already agreed to resolve this complaint in a fair and reasonable way. So, I won't be requiring it to do anything more. I'll explain why.

I've begun by reviewing Mrs G and Mr G's policy documents. These show that cover for personal possessions was an optional extra which provided cover for possessions away from the home, and that Mrs G and Mr G had taken out this option.

The policy schedule shows the claim limit for personal possessions was £1,500. However, the policy terms and conditions contain a list of exclusions for the personal possessions cover, including the following exclusion:

"We will not pay anymore than £1,000 for any theft from a motor vehicle"

So, under the terms of the policy, Mrs G and Mr G's claim would have fallen under the personal possessions section of cover - since the items they claimed for were outside their home at the time of the loss, and since the items were inside a car at the time of the theft, the exclusion limiting the claim to £1,000 would also apply.

Mrs G and Mr G say the above exclusion wasn't drawn to their attention. The exclusion limiting personal possessions claims to £1,000 if the possessions are stolen from a car is contained in the policy terms booklet but isn't highlighted elsewhere such as on the policy schedule or Insurance Product Information Document ('IPID').

Advantage are required to highlight any terms which are unusual or significant. The regulator provides guidance which says that in determining what exclusions or limitation are significant, a firm should in particular consider terms which may have an adverse effect on the benefit payable under a policy.

However, Advantage ultimately decided not to apply the £1,000 limit to the claim. So, regardless of whether this term was significant and not sufficiently drawn to Mrs G and Mr G's attention, they weren't prejudiced because Advantage instead applied the full £1,500 personal possessions limit to the claim.

So, I've considered if it was unfair for Advantage to apply the £1,500 personal possessions limit to the claim. Having done so, I don't think it was unfair for Advantage to apply this limit.

I say this because I think the £1,500 personal possessions claim limit was reasonably clear and was reasonably drawn to Mrs G and Mr G's attention in the policy documents. The cover summary contains details of the main policy limits including the £1,500 limit for personal possessions away from the home. The policy schedule similarly shows that Mrs G and Mr G's policy include personal possessions cover and this was subject to a £1,500 limit. Additionally, the IPID sets out that personal possessions cover is optional, and that if taken out the details will be on the policy schedule.

I sympathise with Mrs G and Mr G that they've had personal belongs stolen which in total were worth more than the £1,500 policy limit. But Advantage wasn't required under the policy terms to pay more than the policy limit. And, although I acknowledge Mrs G and Mr G's comments about the clarity of the £1,000 limit for personal possessions stolen while in a car, that limit ultimately wasn't applied to the claim. The £1,500 limit was instead applied, which I find was reasonably clear, and reasonably highlighted in the policy terms.

Mrs G and Mr G also said they weren't informed about any policy limits when they made the claim. I don't think Advantage misled Mrs G and Mr G by not stating this limit when they made their claim since I've seen nothing showing Advantage said no limit would apply to the claim, or that it would pay the claim in full. In addition, Mrs G and Mr G could also have reasonably known about the personal possessions limit that would apply to their claim by checking their policy documents.

However, Advantage didn't dispute it was poor service and caused some inconvenience not informing Mrs G and Mr G of their policy limit when they made their claim. But to put this right, Advantage agreed to pay £500 compensation and agreed to waive the £200 policy excess, which I find to be more than fair. So, I won't be requiring Advantage to do anything more than this.

My final decision

Advantage Insurance Company Limited has agreed to settle the claim up to the personal possessions policy limit of £1,500, waive the £200 policy excess, and pay £500 compensation. I think this is more than fair in all the circumstances.

So, my final decision is that if it has not done so already, Advantage Insurance Company Limited should pay Mrs G and Mr G £500 compensation, and it should settle their claim up to the personal possessions policy limit of £1,500 with the excess waived.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 17 June 2025.

Daniel Tinkler
Ombudsman