

The complaint

Mr W complains that Red Sands Insurance Company (Europe) Limited (RSI) unfairly declined cover for stolen items when he made a claim on a home insurance policy.

What happened

Mr W's home was burgled and a number of his personal items were stolen. These included two sets of earbuds, a gold ring, binoculars, some cash, a laptop and a camera lens. In September 2024, Mr W made a claim to RSI, under his home insurance policy. RSI declined to cover these items as Mr W hadn't specified any of them on his policy. RSI said that the policy clearly defined that an item that can be taken from the home and was a personal possession, had to be specified on the policy. And as the stolen items hadn't been specified, RSI said that it was reasonable for it to decline the claim.

One of our investigators considered the complaint and thought RSI had acted fairly. She said it was reasonable for RSI to have considered the items Mr W was claiming for to fall within the definition of personal possessions. Our investigator felt the policy was clear that unspecified personal possessions aren't covered and was satisfied RSI fairly and reasonably declined Mr W's claim.

Mr W did not accept the view and asked for his complaint to be referred to an ombudsman. Mr W says the policy is misleading and contradictory and doesn't want anyone else to find themselves in his position.

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 recognise I've summarised this complaint in less detail than the parties using my own words. No discourtesy is intended by this. I've focussed on what I think are the key issues here. Our rules allow me to do this, and it reflects the informal nature of our service. I've carefully considered all the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

RSI has a duty, as do all insurers, to handle claims promptly and effectively, and not to decline claims unreasonably.

I've considered the relevant terms and conditions of the policy and I've highlighted the sections I think are relevant to my decision below.

The policy provides cover for the theft of items which "remain in the house (except any mobile phones which are covered while in the home up to £1,500) and the specified Personal Possessions below that You are legally responsible for."

The policy goes on to make further, separate reference to the cover provided for Personal Possessions, defining these as “Your items that You can or do take outside the house ... which includes any bikes, laptop computers, tablet devices, games consoles, phones, handbags, jewellery, watches, sports equipment and musical instruments that You own or are legally responsible for and are not specified as Personal Possessions below.”

Mr W’s policy schedule confirms there’s “nil” cover for Personal Possessions, going on to state “You pay for: All costs and expenses as cover not selected.”

While some of the stolen items Mr W claimed for are not specifically mentioned in the wording above, the list is not exhaustive, and it provides examples of items that would come under the personal possession definition – namely items one would generally take out of the home. I don’t think it would be reasonable to expect RSI to list every item it considers falls within this definition as it would be likely to be extremely long and potentially cause confusion. The definition is stated to “include” the specific items listed, and so it follows that the intention is to include in this definition items of a similar nature.

I think it was fair for RSI to deem the stolen items for which it’s declined cover as personal possessions as they fit into the ordinary and normal meaning of items which could, and would, be removed from the home. And as cover for personal possessions wasn’t included on Mr W’s policy, it was fair for RSI to decline to make a settlement for the stolen items.

Mr W believes that RSI has free reign to decline cover for any stolen items by defining them as personal possessions, as by virtue of an item being stolen, it “can” be taken outside the house. However, my role here is to determine whether RSI acted fairly when it declined cover for the items Mr W claimed, not to determine whether it would be acting fairly if it hypothetically declined cover for other items.

I appreciate how strongly Mr W feels about RSI declining cover for his items. Having them stolen would have been traumatic and the distress increased when his insurer declined to cover them. However, I can’t say RSI acted unreasonable as its actions were in line with the terms and conditions of the policy and it wasn’t unfair to rely on those terms and conditions.

My final decision

I don’t uphold Mr W’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 20 June 2025.

Ben Williams
Ombudsman