

The complaint

Mrs and Mr S are unhappy that AXA Insurance UK Plc ("AXA") declined their claim for a stolen ring.

Mrs and Mr S had buildings and contents insurance, underwritten by AXA, held in joint names. For ease of reading, and because he brought the complaint, I'll refer mainly to Mr S throughout my decision.

What happened

The background to this complaint is well-known to both parties, so I've summarised what I think are the key events.

On return from holiday, Mrs S noticed that a diamond ring was missing from her hand luggage. After contacting the hotel and travel insurer, which told him it was likely to have been stolen, Mr S claimed under his contents policy. AXA said the ring wasn't itemised and, therefore, not covered. It went on to decline his claim because the circumstances he described didn't fall within the cover available under the policy.

Mr S complained to AXA. He said:

- AXA had incorrectly told him the ring wasn't itemised in his policy, yet the documents showed it was listed as a specified item valued at around £7,000.
- AXA declined his claim because the ring hadn't been violently taken or cut off Mrs S's finger, and the hotel room hadn't been ransacked.

AXA issued a final response in which it set out the relevant policy terms and conditions. It said the ring would only be covered where,

the thief causes damage while trying to access the item(s), or they used violence or deception to steal your Item(s), or the item(s) were under your Personal Supervision at the time of the theft.

Therefore, AXA said it had declined the claim in line with the policy.

However, AXA agreed that it had made a mistake when it first told Mr S that the ring wasn't specified in the policy. In recognition of that mistake, and any inconvenience and upset it may have caused, AXA said it would pay Mr S £150 compensation.

Mr S brought his complaint to us, but our investigator didn't think AXA had unfairly declined his claim. She said it had declined the claim in line with the policy terms and conditions and, on review, she considered AXA's compensation offer reasonable in the circumstances. Our investigator didn't think there was anything more for AXA to put right.

Mr S didn't agree. He confirmed he'd received the compensation payment, but he remained of the view that AXA should pay his claim. So the complaint was 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.

Having done so, I've decided not to uphold Mr S's complaint for broadly the same reasons as our investigator set out in her view.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've looked at whether AXA handled Mr S's claim fairly and whether it was reasonable, in the circumstances, to turn it down.

To begin with, I've noted that AXA acknowledged its mistake in saying the ring wasn't itemised in the policy. In recognition of that it paid Mr S £150 compensation which he said he has now received. I appreciate the mistake would've caused Mrs and Mr S some concern. But as AXA has paid compensation, and it's a sum I consider fair and reasonable in the circumstances, I'm satisfied that AXA has done enough in respect of this part of Mr S's complaint.

The policy sets out the detail of the contract between Mrs and Mr S and AXA. So, turning to the complaint about the stolen ring, I've looked at the policy terms and conditions.

As set out above, the policy provides cover only where damage is caused, violence or deception is used, or where the ring was under direct supervision. None of these conditions were present and, in the main, Mr S hasn't disputed that. I see he explained how the circumstances could be considered deception. He suggested hotel staff took the ring but left the rest of the jewellery to disguise the theft. However, I don't agree that it falls within the ordinary definition of deception. An example would be where someone used trickery/lies to gain access to the jewellery.

I've also noted that the policy requires jewellery or watches worth over £5,000 to be kept in a locked safe when not worn. Mr S confirmed that there was a freestanding safe in the room, but considered the ring would be safer in the concealed pocket in Mrs S's hand luggage. Based on the policy conditions, I find that even if there had been damage to the room or luggage, it's unlikely cover would've been available because this condition wasn't met.

In response to our investigator's view, Mr S said he'd been honest by claiming under the theft cover when in fact he could've simply claimed under loss. I'd expect a claim to be made truthfully, regardless of whether the outcome would be less beneficial in doing so. That said, the policy doesn't provide cover for accidental loss, which AXA confirmed in its response to Mr S. Therefore, the claim would've still been declined.

I understand there was a sentimental value to the ring. I'm sorry to hear about the loss Mrs and Mr S experienced, and I can appreciate it would've been upsetting. But I don't think the evidence is sufficient to demonstrate that Mrs and Mr S have suffered a loss caused by an insured event. Indeed, as Mr S reported, the ring was in their hand luggage at the hotel, and they only identified it was missing on their return home. It may simply have been lost. Therefore, I don't think it's unreasonable that AXA didn't agree that he'd demonstrated a theft which would be covered under the policy.

Overall, I'm satisfied that AXA declined Mrs and Mr S's claim in line with the policy, and fairly and reasonably in the circumstances. I see no reason to ask AXA to do any more here.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mrs and Mr S's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 29 May 2025.

Debra Vaughan
Ombudsman