

The complaint

Mrs C complained that AXA Insurance UK Plc (“AXA”) unfairly declined a theft claim for designer handbags, under her home contents insurance policy.

Mrs C is represented by Mr D in her complaint. I’ll refer to Mrs C throughout my decision for ease.

What happened

Mrs C’s home was burgled. She reported this to the police. CCTV footage was taken showing the thieves leaving with items of her property. Mrs C contacted AXA to make a claim. She said it agreed to pay for some of the items that were taken. But it declined to provide a settlement for a number of designer handbags. Mrs C didn’t think this was fair and complained to AXA.

In its final complaint response AXA said that it’s Mrs C’s responsibility to prove her claim. It said that evidence needs to be provided to demonstrate her ownership of the handbags she had claimed. It didn’t think Mrs C had provided sufficient evidence to do this.

Mrs C subsequently referred the matter to our service. Our investigator upheld her complaint. She accepted Mrs C’s testimony that the handbags had been bought as gifts over a number of years by her late husband, and so it was unlikely that she would have the receipts. She said that on balance she was satisfied Mrs C had done enough to demonstrate she owned the items and shown the handbags she’d claimed for were authentic.

Our investigator said AXA should settle the claim for the handbags plus 8% simple interest. In addition to paying Mrs C £150 compensation for the distress and inconvenience she’d experienced.

AXA disputed our investigators findings. It maintained that the authenticity of the handbags hadn’t been substantiated. AXA asked for an ombudsman to consider the matter. It also said that if the ombudsman reached the same decision it should be recognised that Mrs C was considerably underinsured.

As an agreement wasn’t reached the complaint has 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.

Having done so I’m upholding Mrs C’s complaint. Let me explain.

I’ve checked Mrs C’s policy terms to see what’s expected of her when making a claim. The terms say:

“It is your responsibility to prove any claim. To help prove your claim we may require you to

provide the original purchase receipts, invoices, bank or credit card statements, instruction booklets, photographs, proof of authenticity, utility bills, pre-purchase surveys or plans and deeds or any other documents we may reasonably require."

This is a common term used by insurers. We don't think it's unreasonable to expect a policyholder to be able to show that they've suffered a loss covered by their policy. I've considered whether Mrs C reasonably did this.

There's no dispute that a burglary took place. In its submissions to our service AXA said that it doesn't necessarily dispute that Mrs C owned the designer handbags she claimed for. So, I needn't consider this point further. However, it maintained that it can't confirm their authenticity. It said it's not suggesting Mrs C intentionally claimed for counterfeit items. But it would expect to be provided with evidence to verify authenticity.

To support her claim Mrs C supplied receipts for a number of items she bought from a designer boutique. This designer is the same as for the handbags she claimed for. None of the receipts relate to the lost items. But Mrs C said this shows she made a number of purchases in a similar theme to the items she's claiming for.

Mrs C supplied nine photos that show images of her with the handbags from her claim, or photos where the bags were stored in her home. I can see that she was able to provide one box, and three protective sleeves associated with the handbags she'd claimed for.

I've read the report AXA commissioned from its claim handling agent and the emails it exchanged. This shows AXA accepted that the majority of the other items Mrs C claimed for had been validated. It was prepared to settle this part of the claim. These items included ornaments and jewellery. I note the agent describes Mrs C's home as located in a "very high end" area. It also confirmed that although receipts for the handbags aren't available, the items claimed for are consistent with Mrs C's lifestyle.

AXA's agent reported Mrs C's testimony that soon after her late husband's death his children had removed all documents from the marital home. A family dispute followed. Mrs C said because of this she was unable to obtain any potential documentary evidence to support her claim.

I've thought carefully about the evidence Mrs C provided in support of her claim. I understand AXA's concern about the potential for counterfeit goods. But in these circumstances I don't think it's fair for AXA to apply a strict burden on Mrs C to prove ownership and authenticity for all the stolen items. When considering the evidence as a whole I think Mrs C has done enough to show that the handbags were stolen and that they were genuine.

I say this because AXA was satisfied that other high value items had been validated in order for it to make a settlement payment. The designer handbags are consistent with the other contents in Mrs C's property and with her overall lifestyle. She's shown evidence of numerous purchases from this designer. From her testimony the handbags were gifts over a number of years from her late husband, and photos of the bags have been supplied. Given this, and when considering the circumstances of her family dispute, I think it's understandable that Mrs C doesn't have receipts.

Having considered all of this I don't think AXA treated Mrs C fairly when declining to settle her claim for the stolen handbags for the reasons it gave. It should now settle this part of her claim accepting that the handbags were genuine. AXA should add 8% simple interest on any settlement payment it provides from when it paid the first settlement until payment is made in full.

I've also thought about the impact all of this had on Mrs C. Her house was burgled, and a number of items were stolen. This must have been very upsetting for her. This has been made worse by AXA unfairly declining to cover all the items that were taken. To acknowledge the distress and inconvenience this caused it should pay her £150 compensation.

My final decision

My final decision is that I uphold this complaint. AXA Insurance UK Plc should:

- settle Mrs C's claim for the stolen handbags in line with its terms and conditions and any applicable policy limits. This should include 8% simple interest* added from the date it paid the first settlement until payment is made in full; and
- pay Mrs C £150 compensation for the distress and inconvenience it caused her.

*If AXA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs C how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 July 2025.

Mike Waldron
Ombudsman