

## **The complaint**

Mr E is unhappy that AXA XL Insurance Company UK Limited (AXA XL) declined his jewellery insurance claim.

## **What happened**

Mr E took out a jewellery insurance policy for high worth items on 22 March 2024. AXA XL is the underwriter of the policy.

In November 2024, Mr E's car was parked in a service station. Whilst he went inside the service station, his luggage, some other items and his watch, were stolen from the boot. He contacted AXA XL to report the loss of the watch and to submit a claim. AXA XL reviewed the claim and declined it.

Mr E brought his complaint to this service. Our investigator didn't uphold the complaint. He said the claim isn't covered under the policy and it had been fairly declined by AXA XL.

Mr E disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

## **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.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

Firstly, I fully acknowledge and appreciate the strength of feeling Mr E has about this complaint. I also understand the theft of the watch and other items must have been distressing for Mr E. I've taken the above rules into account. And my overriding remit is to decide what I think is fair and reasonable in the overall circumstances of Mr E's complaint.

I've considered the policy terms and conditions of Mr E's policy.

Page 7 of the policy document sets out the exclusions on the policy. This states:

*'Exclusions (What we will not pay)*

*We will not pay for:*

*4. Any loss or damage away from your home of an item insured unless such item is:*

*a) Is being worn by: or*

*b) Being carried under your close personal custody and control: or*

c) *In a locked safe*

*Jewellery item(s) insured over GBP 20,000, whether in your home or away from your home, must be kept in a locked safe when not being worn or carried in your close personal custody and control. If you are staying at a hotel, jewellery item(s) insured must be kept in the principal safe of the hotel.'*

It's not in dispute that the watch was stolen whilst Mr E was away from his car. Equally it's not in dispute that the watch wasn't worn by him or in a locked safe. Rather Mr E argues that the reference to the watch needing to be in close personal custody and control is unfair.

I accept the policy doesn't define '*close personal custody and control*' but I don't think it's unreasonable for an insurer to determine this was not the case if the watch was in the boot of Mr E's car when the loss occurred. But I still don't think the watch was under his close personal custody and control at the time the loss occurred. So, in other words the key issue here is that at the time the theft of that specific item occurred, the watch wasn't under the close personal custody or control of Mr E.

At the time of the theft, I would expect the item to be readily available to the policyholder such that they could prevent the loss, or certainly minimise, the loss occurring. Being away from the car, at the time of the loss, doesn't sufficiently persuade me that the theft could have been prevented or minimised. And the reasons Mr E has given for this make no difference in this case.

Mr E asked how he would have been expected to wear the stolen watch while he was already wearing his other watch. He said he couldn't wear both watches at the same time and the policy doesn't specify how to manage travelling with two watches. He said he also couldn't travel with a safe as he was on his way to stay at a hotel where there would've been a safe. I've considered Mr E's comments. However, it's not AXA XL's responsibility to inform Mr E how he should manage travelling with two watches and safely transport these. The policy terms are clear about the exclusion that applies when a loss occurs. In this case, AXA XL has explained what it won't pay for, and I don't think it's unclear.

As such I don't think it was wrong for AXA XL to decline the claim. The policy terms make it clear that the item needed to be worn or was being carried under close personal custody and control or in a locked safe. For the reasons explained above, I don't think any of those circumstances applied here. AXA XL has made it clear what risks it was prepared to take for this specific item in the policy. So, I think it was entitled to decline the claim, and I'm satisfied this was fair and reasonable in the circumstances of this complaint. I'm sorry to disappoint Mr E but it follows that I don't require AXA XL to do anything further.

### **My final decision**

For the reasons given above, I don't uphold Mr E's complaint about AXA XL Insurance Company UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 14 July 2025.

Nimisha Radia  
**Ombudsman**