

The complaint

Mr G complains that Red Sands Insurance Company (Europe) Limited (Red Sands) refused to meet a claim he made for a watch he accidentally lost and caused him considerable distress and inconvenience.

What happened

Red Sands used a claims manager to handle this claim. As Red Sands is responsible for the claim and the actions of its representatives, I'll just refer to Red Sands from now on for ease of reading.

Mr G lost a watch he had insured with Red Sands. He made a claim for the watch which was specified on his policy with a value of £8,000. Red Sands agreed to consider the claim. After several months Red Sands decided that the evidence Mr G provided to prove he owned the watch wasn't sufficient and said it wouldn't meet the claim.

Mr G asked us to review the claim. Our investigator noted that Mr G had subsequently found a receipt for the watch which meant Red Sands would reconsider its decision on the claim. But she also thought Red Sands had received a substantial amount of proof (albeit not the sale receipt) that Mr G did own the watch. So she thought Red Sands should pay Mr G £150 to make up for the distress and inconvenience it had caused.

Red Sands confirmed it was dealing positively with the claim now, but said it hadn't caused any delays etc as it was up to Mr G to prove he owned the watch and until it received the receipt it wasn't satisfied he'd done that in accordance with the terms and conditions in the policy.

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.

Red Sands is now dealing with the claim, which is the right thing to do. So in this decision I'm only going to comment on Red Sands objection to paying any compensation to Mr G.

Red Sands provided a list of comments about Mr G's claim as justification for refusing the claim up to the point it received the original sales receipt.

I'm not going to comment on these in detail, other than:

- Red Sands says it thought Mr G had owned the watch since 2011 – although it doesn't know why it thought that. I haven't seen anything on their paperwork that suggests Mr G told them that – nor that he bought the watch direct from the maker.
- Red Sands goes on to say that even if Mr G didn't buy the watch until 2019 it didn't show on earlier policies. Mr G provided a comprehensive explanation of both where the watch had been insured and why things has changed. He's also pointed out that

this wasn't relevant to the claim. I don't think that's necessarily the case, as previous cover helps to establish ownership.

- I accept that the terms and conditions of Mr G's policy require him to provide either a purchase receipt or a recent valuation to prove ownership. But I also accept that sometimes this is difficult and this service expects insurers to take alternate evidence into account. Having seen the evidence and explanations Mr G provided during the claim I'm satisfied Red Sands had enough evidence for it to respond positively to the claim some months before it did. So I do think Red Sands caused Mr G unnecessary distress and inconvenience.

It follows that I'm upholding this complaint.

Putting things right

To put things right Red Sands should immediately pay the £150 recommended by our investigator.

I don't know the eventual outcome of the claim. But if Mr G is unhappy about this he is free to make a fresh complaint to Red Sands.

My final decision

My decision is that I uphold this complaint and require Red Sands Insurance Company (Europe) Limited to pay Mr G £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 June 2025.

Susan Peters
Ombudsman