

The complaint

Ms A and Mr P complain about Aviva Insurance Limited (“Aviva”) for the way it handled their claim for a replacement stone from a ring. They want Aviva to pay for the increased costs of an alternative stone.

What happened

Ms A and Mr P insured their home and contents with Aviva. Their policy had a single article limit of £2000 for unspecified items. Ms A and Mr P had not specified any individual items exceeding this value.

In May 2023, Ms A and Mr P had to submit a claim. They had lost the stone from a ring. The ring setting remained, but a pear cut ruby had been lost from it.

Aviva asked Ms A and Mr P to provide photographs and details of the stone. Ms A and Mr P obtained a quote from a local jeweller for a replacement stone. The local jeweller had an appropriate stone available and quoted £1575 to replace the stone into the ring setting.

Ms A and Mr P provided this information to Aviva. The quote from the jeweller did not detail the stone dimensions.

Aviva sought to contact the jeweller, and through their communications learned that the proposed replacement stone was 8.2mm by 6mm in size.

Based on that information, Aviva’s jeweller considered that it would be able to source an alternative stone at a cost to Aviva of £1123.50.

This was the sum which Aviva based its offer of settlement on, and it offered to cash settle in July 2023.

Ms A and Mr P declined the cash settlement offer and asked that Aviva carry out the repair itself.

Aviva then set out to source stones. These were to be provided to a jeweller local to Ms A and Mr P so that they could assess them before a stone was chosen and set.

Aviva’s jeweller sent some stones to be viewed. Ms A and Mr P turned these down for not being the correct colour or being flawed.

Around November 2023, Ms A and Mr P agreed to accept a particular stone, if the excess was waived. Around this time, the ring setting was provided to Aviva’s jeweller.

Shortly after this, in December 2023, Aviva’s jeweller confirmed that the cost for replacement would not be as originally estimated, but would be considerably more. This was because when measuring the ring setting the correct sizing for the ruby would be 9x7mm and approximately 4mm deep.

Aviva’s jeweller quoted to Aviva that the cost would now be much greater, around £4000.

As this exceeded the limit of liability for the item, Aviva declined to carry out the repair and offered to cash settle the claim at £2000, with the excess waived.

Ms A and Mr P approached their previous jeweller and the original stone they had been offered was no longer available. They were verbally quoted that a replacement would now cost around £2700.

They complained to Aviva. They felt that the delay in the process, while they pursued Aviva's jewellers carrying out a replacement of the stone, caused them to miss out on the original stone, and so they would now have to pay more for a replacement.

Aviva did not uphold their complaint. They considered that they had acted in line with the policy terms and had offered the limit of their liability.

Ms A and Mr P were unhappy and contacted us.

One of our investigators has looked into this matter and did not recommend that the complaint be upheld. They did not consider that the delay was entirely due to Aviva, or that Aviva had been negligent in assessing that it could carry out a repair directly.

Ms A and Mr P did not accept that view and asked for an ombudsman decision. They feel that Aviva was negligent and so the terms of the policy ought not to limit the settlement. They want to be compensated because they will now have to pay more for a replacement.

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 understand why Ms A and Mr P are upset in this instance. In retrospect, it appears that they were being offered an excellent opportunity with the first stone. To learn that this opportunity is no longer open must be very upsetting.

I do, however, agree with my colleague and I do not uphold this complaint.

The insurance policy placed an upper limit on Aviva's liability for any single item at the time that Ms A and Mr P took out their policy. If they considered that the limit would not be adequate, then they needed to specify any items which were above that value, and make sure that these were covered for a higher sum.

It is the responsibility of policy holders to check that the limits of cover are sufficient, and Ms A and Mr P accepted these limits by purchasing the policy and not specifying any exceptional items.

In this instance, it appears that the value of the ring was substantially higher than the single item limit during the period of insurance, as replacement of the stone – when the accurate dimensions of the ring were known – would have cost more than £4000. This valuation was reached around 6 months after the date of loss, and whilst there is scope that prices for rubies increased over that time, it is likely that the true value exceeded the £2000 limit in May 2023.

Ms A and Mr P had the opportunity of a replacement ruby which was of an appropriate quality and colour match within the limit of liability, but Aviva was within its rights to assess whether it could achieve better value through its own supply chains.

Based on the dimensions that were given to Aviva, it believed it could secure an alternative for a lower price, and so that lower price set the cash settlement offer level.

This was correct and in line with the policy terms.

It was only after Ms A and Mr P elected for Aviva to supply the replacement ruby, that Aviva was sent the ring setting and could accurately measure the dimensions for the replacement stone. The measurements taken by Aviva's jeweller were almost 1mm larger in two dimensions than Aviva had been advised, and the stone needed was substantially deeper than it had anticipated.

Aviva was obliged to indemnify the loss, up to the limit of liability under the policy for the item, and it had some discretion in how it approached doing this. Aviva was not obliged to facilitate, what has later turned out to be, an unusually good opportunity and it not doing so is not a failing in service.

I have reviewed the timeline provided by Aviva and I acknowledge that the process in getting the ring setting and accurate dimensions, and sourcing alternative stones was not quick. It does not appear though that that was urgency expressed at the time, and it was understood that there may be additional time taken for some steps in the process. Elsewhere, there were delays which were outside of the control of Aviva, such as in getting information from the local jeweller. I have not seen evidence that there was substantial delay due to Aviva, which would amount to a failing in service.

It is unfortunate, and I appreciate upsetting for Ms A and Mr P, that the opportunity of complete indemnity within the policy limits was missed in this instance, but Aviva has offered indemnity up to the value of the policy limits, and it has waived the excess. In this instance, I think that is reasonable, and I do not ask Aviva to do anything further.

I understand that this will be disappointing for Ms A and Mr P, but I hope it makes clear my reasons for reaching this decision.

My final decision

For the reasons given above, I do not uphold Ms A and Mr P's complaint, and I do not ask Aviva Insurance Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A and Mr P to accept or reject my decision before 27 August 2025.

Laura Garvin-Smith
Ombudsman