

The complaint

Mr W and Miss L are unhappy with the settlement Accredited Insurance (Europe) Limited (“AIL”) offered to settle their contents claim.

Mr W and Miss L jointly held buildings and contents insurance underwritten by AIL. For ease of reading, I’ll refer mainly to Mr W throughout. Any reference to what Mr W said and what AIL said should be taken into include things said on their behalf.

What happened

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

In December 2023, Mr W claimed under the policy when many items of jewellery were stolen from his home during a burglary. AIL accepted the claim and Mr W provided details of the stolen jewellery which he’d valued at £21,127. AIL said it could replace some jewellery and arrange bespoke replacements for the rest.

Due to the trauma of the burglary, Mr W no longer wanted valuables in his home. He asked for a cash settlement. AIL agreed and offered £13,659.

Unhappy with the settlement offer, Mr W complained. On 22 November 2024, AIL issued a final response in which it said the offer was based on its costs and was in line with the policy. It acknowledged there’d been some communication problems caused by incorrect email addresses and for that AIL offered £100 compensation.

Mr W remained unhappy with the settlement, so he brought his complaint to us.

Our investigator thought that AIL had offered a settlement in line with the policy, and that it was fair in the circumstances. Our investigator said the compensation AIL paid for the communication problems was reasonable, but there was no evidence that AIL had handled the claim incorrectly or unfairly. Our investigator didn’t uphold Mr W’s complaint.

Mr W didn’t agree. He commented on matters not directly related to his complaint, such as the insurer being different to the company name on the policy paperwork. He also said AIL had included the stolen jewellery on his renewal paperwork. Mr W repeated his thoughts about AIL’s handling of his claim and what he considered to be an unfair settlement offer.

Because Mr W didn’t agree with our investigator’s view, 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.

The Financial Conduct Authority’s rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. The relevant rules and industry guidelines say a business should provide

support and help with understanding, and enable customers to pursue their financial objectives.

My role is to look at whether AIL handled Mr W's claim reasonably, taking into consideration the regulator's rules, the evidence, and the terms and conditions of the policy. If I find that AIL handled the claim in line with the rules and the policy, I considered whether it was fair in the overall circumstances.

Having done so, I've decided not to uphold Mr W's complaint for broadly the same reasons as our investigator. I've thought carefully about Mr W's description of the experience of being burgled, and the subsequent feeling of not wanting to have valuables in his home, so I can understand that this will be a deeply upsetting outcome for him. But, based on the evidence, I can't say that AIL treated him unfairly in its handling of his claim.

There's no dispute about the circumstances, so I won't repeat the detail here. I'll focus on the key issue of complaint which is that Mr W doesn't think AIL's cash settlement offer is fair.

The policy sets out the detail of the contract between Mr W, Miss L and AIL. Looking at how the policy says AIL will settle claims, it says:

Your insurer may repair, reinstate or replace your damaged property. If your insurer can't replace or repair your property they may pay for the loss or damage in cash or in a cash alternative (including vouchers and/or store cards).

Where your insurer can offer repair or replacement through a preferred supplier, but then agree to pay a cash or cash alternative settlement, then payment will not be more than the amount they would have paid their preferred supplier.

AIL said it could replace all of the stolen jewellery with bespoke or purchased items available through its supplier. The policy doesn't provide cover for the value a policyholder may place on sentimental items, instead it is simply replacing the item itself. So, for example, a 9ct gold band passed through generations of a family will be replaced, simply, with a 9ct gold band.

Given that AIL said it could replace all of the jewellery, I'm satisfied that it would've settled the claim in line with the policy. And Mr W would've been indemnified for his loss because he would then have the same items of jewellery and at the same market value as those which had been stolen.

Mr W no longer wanted the risk of jewellery in his home, so he asked for a cash settlement. Because AIL could have settled the claim by replacing the jewellery, it was entitled to agree to the cash settlement request based on what it would've cost it to source the replacements from its supplier. The offer was for £13,659 which I understand is a little under 70% of the value of the stolen items.

While Mr W doesn't think that's fair, and he asked for the full value, AIL's offer was in line with the policy. I can't agree that it's an unfair offer, because AIL could provide jewellery to the full market value. Its discount in doing so is of no relevance to the claim settlement because, as I've said, Mr W would've had the full market value. But in terms of cost to AIL, I see no reason why it should pay more than it would've done to replace Mr W's jewellery. Doing so would be unfair when the same provision would not be available to other policyholders in similar circumstances.

So, while I'm sorry that Mr W feels this is unfair, I find that AIL offered the cash settlement at his request, in line with the policy, and fairly in the circumstances.

Compensation

Mr W felt there was an admission of wrongdoing when AIL offered £100 compensation. I don't agree. AIL explained that there had been avoidable delays in handling the claim due to both parties using incorrect email addresses. AIL paid £100 by way of apology for the delay. I don't consider that to be an admission of any wrongdoing in respect of its settlement offer.

I've looked at the further comments Mr W made about the policy underwriter. We set up a complaint against the underwriter of the policy where it's about a claim decision. It's often the case that the underwriter is different to the administrator. This does not affect the outcome of the complaint.

Finally, Mr W mentioned that AIL included the stolen jewellery in his policy renewal documents. As that's not something he raised with AIL, I haven't taken that into consideration here.

In summary, I'm satisfied that AIL handled Mr W's and Miss L's claim in line with the terms and conditions of the policy. Therefore, I see no reason to ask AIL to increase its cash settlement offer.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr W's and Miss L's complaint about Accredited Insurance (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L and Mr W to accept or reject my decision before 9 October 2025.

Debra Vaughan
Ombudsman