

The complaint

Ms M and Mr R have complained about the way Intact Insurance UK Limited (formerly known as Royal & Sun Alliance Insurance Limited) handled an accidental damage claim under Ms M's home insurance policy and about the settlement it has offered.

What happened

On 9 December 2024 Ms M made a claim under the policy for accidental damage to Mr R's laptop. Intact Insurance arranged for the laptop to be taken away for inspection a few days later. Its agent referred the claim to another company for further investigation as the damage was inconsistent with what Mr R had told them. The laptop was beyond economic repair.

Intact Insurance's agent scheduled a video interview with Ms M and Mr R in mid-January.

Intact Insurance said that Ms M hadn't told them about a previous claim she'd made. Because of that it said it would only pay 90.01% of the claim. It said a new replacement like for like laptop was retailing at £849 but it could obtain one from its supplier at the discounted price of £793.81. In early March Intact Insurance offered a cash settlement of £489.48. That was based on 90.01% of the discounted price of £793.81 less the policy excess of £250. It also offered to supply a replacement laptop if Mr R paid £304.33 being the policy excess and reduction for proportional settlement.

Mr R didn't think that was fair. He referred the complaint to this service. In summary Mr R is unhappy about the following points:

- When making an earlier claim for a similar item he'd been asked for proof of purchase. He thought this and the earlier claim should have been handled consistently.
- He thought his laptop had been undervalued. He said its market value was between £1,095 and £1,149. He wanted to know how Intact Insurance had determined the value. He also didn't think Intact Insurance had been transparent about the discount that would be applied for certain products.
- He didn't think it was fair of Intact Insurance to charge an excess when it hadn't made a fair settlement of the claim.
- Intact Insurance was refusing to return his laptop.
- Intact Insurance's agent had asked inappropriate questions as part of the claim investigation.

Our Investigator didn't uphold the complaint. She didn't think Intact Insurance had treated them unfairly. As Ms M and Mr R didn't agree, the matter has been referred 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.

In arriving at my decision I have taken into account all relevant law, regulations and good

industry practice. In his submission to this service Mr R has made a number of detailed points. I won't be commenting on every one of them. Instead I have concentrated on what I believe to be the main issues. That reflects the informal nature of our service.

I'm not going to compare how this claim was handled with that of the previous claim. There are many possible reasons for the difference in claim handling. What I'm looking at is whether Intact Insurance has handled this claim fairly and reasonably. I think it has and I'll explain why.

Ms M's policy says that where damage to an item can't be economically repaired, the insurer will replace it. It goes on to say that if the insured requests a cash settlement, the amount it will pay won't normally be more than it would have paid its supplier to replace the item.

Mr R's laptop was beyond economic repair. It had been bought in 2020 and insured for £800. Intact Insurance has confirmed that its cash settlement was based on a laptop similar in specification to Mr R's, including 512 GB of storage. Although Intact Insurance didn't ask for proof of purchase, its supplier was able to advise the model and specification. Intact Insurance has supplied us with evidence that a similar laptop was on sale with a well-known retailer at the time for £849.

Intact Insurance said that if it had known about all Ms M's previous claims when she took out the policy, it would have offered her cover but at a higher premium due to her no claims discount being lower. The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). In a situation like this where a consumer hasn't taken reasonable care not to make a misrepresentation when taking out an insurance policy, CIDRA allows insurers to settle the claim proportionally based on the ratio of the premium paid and the premium that should have been paid. This is what happened in this case and I'm satisfied that Intact Insurance acted fairly in this regard.

Insurers are able to negotiate special deals with suppliers which aren't available to the general public. This means that they can often obtain suitable replacements at discounted rates. I think it was reasonable for Intact Insurance to rely on the valuation of its expert in this case to settle the claim based on the fact that it would have cost it £793.81 to supply a replacement laptop. I can understand why Mr R was disappointed with the amount of the settlement but in the light of the policy terms, I'm not persuaded that he has been treated unfairly.

I can also understand why Mr R would like more information about the discount. But this is commercially sensitive information and not something which I think Intact Insurance should be obliged to share.

The policy also states that if an excess applied, the insurer would deduct this from the amount of the claim. Ms M's excess for this type of claim was £250. Given this, I don't think it was unfair for Intact Insurance to say that it intended to deduct this amount from the cash settlement.

It's a standard principle of insurance that once an insured item is a total loss or beyond economic repair as in this case, if the insurer settles the claim, the damaged item becomes the property of the insurer. So I don't think it was unreasonable for Intact Insurance to say it would keep the laptop after it had settled the claim.

Having reviewed the way this claim was handled, I'm not convinced that Intact Insurance's investigation was unreasonable. I appreciate that Ms M and Mr R might have found some of the questions intrusive like when Ms M was asked whether she was working or retired. But I'm satisfied it has reasonable grounds to ask these questions and they weren't inappropriate

in the circumstances of this claim.

In view of the complications with the claim such as the possibility of the laptop having become damaged after it had been collected from Mr R and an earlier claim not having been disclosed, I also don't think there was any excessive delay on Intact Insurance's part.

Overall in my opinion Intact Insurance has handled this claim fairly and reasonably and offered a fair settlement.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr R to accept or reject my decision before 11 November 2025.

Elizabeth Grant
Ombudsman