

## The complaint

Mr G is unhappy with the way INTACT INSURANCE UK LIMITED (INTACT) have settled his claim for stolen jewellery under the contents section of his home insurance policy.

## What happened

In February 2024 Mr G had items stolen from his property including several items of jewellery and valuable collectibles. He submitted a claim to INTACT, and they appointed a loss adjuster to assess the claim. The loss adjuster found that they couldn't replace some of the items, such as the collectibles, and so advised a cash settlement would be necessary. This totalled £9,130. But they said they could replace the items of jewellery valued at £12,355 via their preferred network vouchers.

Mr G didn't accept this and instead asked for a cash settlement for his items of jewellery. INTACT agreed but reduced the settlement total to £6,795.25 as this reflected what they could source the items for via its preferred suppliers. Mr G was unhappy with this as he didn't feel it reflected the actual cost of replacing the items on a like for like basis outside of the suppliers used by INTACT. He therefore felt the settlement left him under compensated and didn't restore him to his pre-loss position. INTACT were satisfied with their approach to the settlement and as an agreement wasn't reached Mr G brought his concerns to this service.

Our investigator didn't uphold the complaint. She felt INTACT had handled the claim fairly and reasonably and settling the claim via vouchers was in line with the policy terms and conditions. She also felt it was reasonable for INTACT to reduce the cash settlement in line with what it would cost them to replace the items via their preferred supplier.

Since the investigator issued their opinion, Mr G has explained that he was of the understanding that INTACT couldn't provide like for like replacements. And notes they have since said they can provide comparable or bespoke items, which would be acceptable to him. But he wanted a direction that INTACT should provide these items within a clear and reasonable timeframe. And if they weren't able to fulfil this the claim should be settled at full market rate. With this in mind Mr G wanted to proceed for an ombudsman's decision, so it has been 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 terms and conditions of the policy set out the agreement between Mr G and INTACT. And they highlight what is and isn't covered.

It's clear the policy provides cover for theft. And it explains how they will settle claims. It says:

*"How we settle claims for contents*

- *Where the damage can be economically repaired we will pay the cost of repair*
- *Where the damage cannot be economically repaired and the damaged or lost item can be replaced, we will replace it. If a replacement is not available we will replace it with an item of similar quality.*
- *Where we are unable economically to repair or to replace an item with an item of similar quality, we will agree a cash payment with you based on the replacement value.*
- *Where we can offer repair or replacement through a preferred supplier, but instead you request and we agree to pay a cash settlement, then the amount will not normally exceed what we would have paid our preferred supplier.”*

The policy also says: *“Preferred Suppliers, we take pride in the claims service we offer to our customers. Our philosophy is to repair or replace lost or damaged property, where we consider it appropriate, and we have developed a network of contactors, repairers and product suppliers dedicated to providing claims solutions”.*

INTACT have said Mr G can obtain replacements through their preferred suppliers and offered vouchers to the value of £12,355. And I have seen where the loss adjuster has confirmed to INTACT that comparable replacements would be available through their personal jewellery service. I haven't seen any evidence to suggest that INTACT's preferred suppliers are unable to do so. Therefore, I'm satisfied that settling the claim in this way is fair and reasonable and is in line with the terms and conditions of the policy.

I appreciate Mr G wasn't happy with the vouchers and would have preferred a cash settlement. However INTACT also say in their terms that where they can offer a repair or replacement through a preferred supplier, but a customer requests a cash settlement, the amount will not normally exceed what they would have paid the preferred supplier. So, the fact they've offered less than the value of the items in this instance isn't unreasonable. I can see that the loss adjusters have confirmed that the items could be sourced by INTACT for £6795.25. And this is what INTACT offered in this instance.

I note Mr G has since accepted that they can provide comparable replacements and is happy with this. But he is concerned that there could be delays in INTACT providing the replacements or if they're not in fact able to provide the comparable replacements as they said they could. Whilst I understand why Mr G would like some direction in relation to this, I can only consider what has happened up to the point of INTACT issuing their final response letter, which is essentially setting out how they're looking to settle the claim. So, it wouldn't be fair or reasonable for me to make a direction about this. However, INTACT have an obligation to settle claims promptly and fairly and have confirmed that issuing the vouchers should be a relatively quick via email.

If once the settlement has been made, Mr G encounters issues or is unhappy with INTACT's actions in relation to it, he can submit a further complaint to INTACT and will need to do so in the first instance.

Overall, I don't think INTACT have treated Mr G unfairly or unreasonably when offering vouchers for their preferred suppliers as they have been advised by their loss adjusters that comparable replacements can be provided. And this is in line with the terms and conditions of the policy. They're also able to reduce the cash settlement to match what it would have cost them to replace the items via their preferred supplier if Mr G chooses this option instead of replacement, where replacements are available.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 December 2025.

Karin Hutchinson  
**Ombudsman**