

The complaint

Mr T complains that Tesco Underwriting Limited have declined his claim for a lost ring.

What happened

Mr T took out a contents policy with Tesco in March 2023. He took out specified items cover in the policy for his partner's diamond ring following their engagement.

Mr T made a claim on the policy in February 2024 as he said that they couldn't find the ring and thought it probably had been lost in a house move.

Tesco reviewed and eventually declined the claim as they said that Mr T had failed to demonstrate that an insured peril had occurred.

Mr T was unhappy with this and complained, but after the claim wasn't upheld, he brought it to us.

Our investigator thought the claim shouldn't have been declined, as there was cover under the specified items cover and the claim hadn't been declined fairly.

Tesco's didn't agree, and so the case came 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.

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Having done so, I'm upholding this complaint, and I'll explain why

It is clear from the policy terms that there is cover for loss, theft or damage to any specified items:

"Contents optional cover – Specified items

What is covered

Your and your family's home specified items (that are individually listed in your schedule) are covered for loss, theft and damage anywhere in the UK (including your home), and for up to a total of 60 days in any period of insurance, when you and/or your family are abroad."

Mr T's policy schedule includes a specified item of a diamond ring with a value of £4,000 – which is the missing item here, so I'm satisfied that there is cover under the policy.

However, Tesco say they have been unable to validate the loss because of evidential difficulties, incorrect information given by Mr T, and failure to comply with claim conditions.

I've thought about this and considered all of the information sent in by both parties, and I'm not satisfied that Tesco have acted fairly in declining the claim.

I accept that Mr T could have been clearer in his account of matters from the start, but he has said all along that they don't really know when or where the ring was lost, and so I can understand why in that situation it is difficult to be clear. I'm also conscious that Mr T's partner was pregnant, and unwell, and so I appreciate that he might not have been in the right state of mind to have the recall expected.

Mr T has explained that his partner was pregnant at the time of loss and had been unable to wear her ring for some months due to pre-eclampsia and swelling, so she had removed it and placed in a bedside drawer some time earlier. They moved house in August/September and some weeks after the move, they looked for the ring, but it wasn't in the drawer where they believed it was, and they were unable to find it anywhere in the house. They thought it may have been lost during the move.

Mr T reported this loss to Tesco by phone on 3 October 2023. I've listened to that call in which he tells the call handler that they haven't been able to find the ring, and that it may have been lost in the move. I think it's critical that he says "may" and that actually he doesn't know for sure, he only knows that it isn't where they thought it was.

When Tesco asked further questions about the move, Mr T initially told Tesco that he wasn't able to remember the name of the removals company - who he said he had found on Facebook, and he had paid in cash.

As a result of this Mr T was sent a letter from the loss adjusters which indicated that the claim would be declined. It said that as Mr T was unable to provide any details of the removal company or any proof of payment, there was no independent verification evidence to support that an insured loss had occurred, and so no valid claim.

Given that Mr T couldn't be sure that it was lost in the move, I don't think it's fair for Tesco to rely solely on his inability to remember the removal company's details. In addition, Mr T has explained in a letter dated 21 August 2024 to Tesco that after receiving their declination letter, his partner reminded him that he didn't pay the removal men in cash, but by bank transfer, and he was then able to check his bank statement and find the detail of the removal company. He passed these details to Tesco together with proof of payment. He also made contact with the removal company, but they checked their van and denied any liability.

So, despite not being sure about whether it was lost in the move, Mr T has then complied with Tesco's request for information and provided an explanation. The company he used was a small company of the man with a van kind.

The loss adjusters then replied again to Mr T advising in their letter of 20 August 2024 that following Mr T providing the details of the removal company and the proof of payment, there was still no evidence that an insured peril had occurred. They also expressed concerns to Tesco about aspects of Mr T's account of the loss. They had concerns about Mr T's change of story about the removal firm, about his previous claims, and about the fact that the bedside table was moved with its contents inside. And so, they recommended the claim should still be declined.

In their further letter of 2 January 2025, the loss adjusters said that the insured peril hadn't been evidenced as a result of these actions, as failure to contact the removal company until

July 2024 had prejudiced any chance of recovering the ring. They quoted the claim condition which requires a policyholder to take action to protect the property from further loss or damage.

As the peril being claimed for was loss there will always be evidential difficulties in that the whole point of loss is that an item can't be found, and the customer usually doesn't know where or how it was lost. If they did it wouldn't be lost.

I appreciate that Mr T's response is therefore not perfect as he can't be certain when or where the loss took place, but he has provided proof of the purchase, an explanation of why the ring wasn't being worn, where they believed it was being stored, and how they came to discover the loss. He has provided a possible explanation – that it may have been lost in the move, and he has contacted the removal company – albeit quite late.

While I understand Tesco's concerns about his failure to contact the removal company, it was unlikely that the movers would have found it even if he had asked them as soon as he discovered the loss, given that Mr T discovered the loss over a month after the move. It is understandable that it hasn't been reported to the police as Mr T has no evidence that it was stolen, but he has reported it to Report my Loss, again a little late, but it is still reported. I see no issue with the bedside table being moved with the contents in it, and although Tesco mention that there has been another recent claim for a high value item, they don't offer any explanation as to why this impacts the validity of the current claim.

And so, I'm not satisfied that Tesco have acted fairly or provided sufficient evidence to decline the claim.

Tesco's handling of the claim

It's clear Tesco caused unnecessary and avoidable delays during the claim process and Mr T spent much time and effort during this period dealing with the matter. I consider this impacted Mr T and caused him to experience unnecessary worry and inconvenience during an already upsetting time. Understandably, he had become increasingly frustrated with the delays to settle the claim and I can understand why he feels let down by Tesco in this regard.

When a business makes a mistake, as Tesco has accepted it has done here with the handling of the claim and delays it caused, we expect the business to attempt to put things right. I think this is what Tesco have done. I say this because for the delays and poor service

I've mentioned above, Tesco offered Mr T £300 as compensation. I think £300 as compensation is fair and reasonable in the circumstances and is broadly in line with what I would've recommended and is in line with our published guidelines on awards.

Putting things right

To put things right Tesco should:

- Settle Mr T's claim for the ring, in line with any policy limits and excess. If a cash payment is offered, Tesco must also add 8% interest from the date it declined the claim to the date of settlement.
- Pay Mr T the £300 for distress and inconvenience if it hasn't already been paid.

My final decision

My decision is I'm upholding Mr T's complaint about Tesco Underwriting Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 October 2025.

Joanne Ward
Ombudsman