

The complaint

Miss C is unhappy with how INTACT INSURANCE LIMITED (INTACT) settled a claim made under her contents insurance policy.

Any references to INTACT include its agents.

What happened

Miss C's engagement ring was lost so she made a claim to INTACT. This was accepted and subsequently Miss C accepted a cash settlement. She did so with the intention of asking the jeweller who originally made her engagement ring, along with the rest of her wedding jewellery, to recreate the lost ring. However, Miss C says she then found out the amount paid by INTACT wasn't sufficient to pay for a replacement.

Miss C complained, saying that she felt INTACT hadn't handled her claim fairly or recognised the sentimental importance of her engagement ring. INTACT responded to Miss C's complaint in June 2025. It said where a cash settlement had been requested, the policy terms allowed it to limit that payment to what it would have paid its suppliers. INTACT said it had offered Miss C the opportunity to provide the proof of purchase and see if that impacted the settlement amount. But as this hadn't been received, INTACT wouldn't reconsider how it settled the claim.

Unhappy with this response, Miss C referred her concerns to the Financial Ombudsman Service. She said to put things right INTACT ought to increase the amount it was prepared to pay to an amount in line with the purchase price. Miss C's concerns were considered by one of our investigators who said INTACT had acted fairly and in line with the policy terms, so she wasn't going to ask it to increase the amount already paid. As Miss C didn't agree, this matter 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.

However, having done so, I've reached the same conclusion as our investigator and for largely the same reasons.

As a starting point, I want to reassure Miss C that I understand what she said about why she felt it was so important to have the original jeweller remake her engagement ring. My role here is to decide if INTACT has settled her claim fairly, and the starting point for me is to consider what INTACT is required to do, as set out in the policy terms.

When settling a claim, the policy terms say:

***"We** always aim to repair or replace lost or damaged property... If the damage can't be economically repaired and the damaged or lost item can be replaced, **we'll** replace it... If **we** can't either economically repair an item or replace it with an item of*

*similar quality, **we'll agree a cash payment with you based on the item's replacement value.***

You can request a cash settlement where we're able to offer repair or replacement. If we agree to this, the amount we'll pay won't normally be more than what we would have paid our nominated repairers or product suppliers."

I'm satisfied the policy terms are clear in setting out that, as a starting point, INTACT will offer to repair or replace an item. As the engagement ring was lost and couldn't be repaired, INTACT offered to have its jeweller replace Miss C's engagement ring, to the same specification as the original, in settlement of the claim. I consider this offer was in line with the policy terms, but Miss C declined this offer.

So, the key consideration is the amount offered by INTACT to settle the claim. INTACT paid Miss C £4,793.20 (after deducting the policy excess) but the ring was valued on the policy documents at £8,332. However, when a cash settlement is requested, INTACT only needs to pay what it would have paid its supplier for the ring.

The correspondence between Miss C and INTACT's supplier sets out INTACT would have received a trade discount had a replacement been requested. Whilst I can see INTACT has paid Miss C less than it would cost her to have the ring made, I'm satisfied INTACT has offered a cash amount that would have been the same amount it would have needed to pay to have the ring remade.

The purpose of this policy is to indemnify Miss C. INTACT has offered to do so by arranging for its supplier to remake the ring – Miss C declined this offer and asked for cash instead. I understand Miss C feels that INTACT ought to have considered the sentimental value attached to her ring and put her in the position where she could have the original jeweller remake her ring. But essentially, while this won't be what Miss C is hoping for, that request goes beyond what is required of INTACT as set out in the policy terms. I'm satisfied INTACT has settled the claim in line with the policy terms, as things stand. I'm not going to require INTACT to increase the offer it made.

Miss C also says INTACT ought to have relied on the valuation documentation provided to settle the claim, as it accepted this same document to support the valuation of the ring when the policy was taken out. Under the claim conditions section of the policy, it says:

*"To help **us** deal with **your** claim quickly **we** may need more information. This could include:*

- *original purchase receipts..."*

I can't say INTACT has wrongly asked Miss C for documentation about the purchase, though I also understand why she doesn't readily have this to hand. It's now for Miss C to decide whether she can provide this to INTACT for it to consider if it will increase the valuation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 October 2025.

Emma Hawkins

Ombudsman