

The complaint

Mr S complains about the amount Liverpool Victoria Insurance Company Limited (LV) has paid to settle a claim he made under his home insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

Mr S held a home insurance policy provided by LV which covered both his buildings and his contents. This included cover for an engagement ring valued at £25,000. On 5 December 2024 the ring was lost. Mr S says he spoke to LV that day to discuss making a claim, and on 6 December 2024 he submitted an online claim to LV.

Mr S purchased a new engagement ring for £24,000 as it was important to him to have a ring for his wedding which took place on 7 December 2024.

Following a review of the claim LV offered Mr S a settlement of around £19,000. It said its limit of liability was the amount it could replace Mr S's ring for through its own supplier. Mr S raised a complaint.

On 12 March 2025 LV issued Mr S with a final response to his complaint. It said the terms of Mr S's policy explain it would only pay the amount it would pay its supplier to replace the ring, and so the settlement it offered was correct. Mr S said he wasn't provided with a policy document including the term LV had referenced in its final response. LV sent Mr S further correspondence to say it was satisfied the policy documents were available to Mr S at the time of his claim. Mr S referred his complaint to this Service.

Our Investigator looked into things. She said she thought the settlement LV had offered was reasonable in line with the terms of Mr S's policy. She also said Mr S's renewal documentation asked Mr S to read all his documents, including the terms and conditions, and if Mr S was unable to locate these he could have spoken with LV.

Mr S didn't agree with our Investigator. He said LV has relied on a policy term in a document he was never provided. He said the renewal document he received implied that the full terms and conditions of the policy were included in this document and the term LV has relied on to settle his claim doesn't appear.

As an agreement couldn't be reached the complaint 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.

I want to acknowledge I've summarised Mr S's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects

the informal nature of this Service. I assure Mr S and LV I've read and considered everything that's been provided.

The relevant rules and industry guidelines explain LV should handle claims fairly.

The terms of Mr S's policy explain how LV will settle claims. It states:

'If we can offer a repair or replacement through one of our suppliers and you choose not to have the item repaired or replaced or wish to use your own supplier, we will not pay more than the amount we would have paid our supplier.'

I can see LV did offer Mr S the option to replace his lost ring through its supplier, however as Mr S had already purchased a new ring this was declined. So, I'm satisfied under the terms of Mr S's policy, LV's limit of liability was the amount it would have paid its supplier to replace the ring. This is a common term within home insurance policies.

LV has provided a validation report from its supplier which shows it would have paid its supplier around £19,000 to replace Mr S's ring which was lost. This isn't unusual as many insurers will have agreed or discounted rates with the suppliers it uses. So, as I'm persuaded LV would have paid its own supplier around £19,000 to replace the ring, I'm satisfied this is its limit of liability based on the terms of Mr S's policy.

Mr S has said he wasn't provided with a policy document which included the term quoted above. He said the renewal document he received said the policy terms and conditions were included, and this didn't include this term.

LV has said when Mr S purchased his policy he would have been sent a link to access the terms and conditions of his policy. Although it has said it doesn't retain these emails, so it hasn't been able to provide a copy of this.

I've reviewed Mr S's renewal document from 2024. It says:

'The following documents make up your contract of insurance, please read them all:

- *Your personal details*
- *Your cover and limits*
- *Our terms and conditions – this includes definitions of some of the common terms used in this document. You'll also find general exceptions and conditions that are in addition to those shown here under each heading.'*

The document then includes headings titled, '*Your personal details*' and '*Your cover and limits*'. There's no heading titled, '*Our terms and conditions*', nor any definitions of common terms. And so, whilst I think there was more LV could have done to tell Mr S where he could find his terms and conditions, I think it is reasonable to expect a consumer reading the renewal document would be alerted to the fact there was a terms and conditions document which needed to be read alongside the renewal document.

Based on the evidence provided, I'm persuaded that it's more likely than not Mr S was sent a link to the full terms and conditions of his policy when he purchased it. And even if I wasn't, I think LV has done enough to make Mr S aware of the existence of the full policy terms and conditions, and Mr S would have been able to locate them if he wished.

In any event, even if I were to accept Mr S hadn't received his policy documents, I'm not

persuaded he would have done anything differently had he been aware of the term quoted above.

Whilst Mr S has said had he been aware the settlement may be reduced he would have re-considered how he approached the situation, he hasn't said what he would have done differently. I think the evidence suggests Mr S's priority was to have a replacement ring in time for his wedding. He has said it was urgent that a replacement ring was sourced prior to his wedding on 7 December 2024. He paid a £4,000 deposit for a ring on 6 December 2024, the same day the claim was reported to LV online. He then paid the remaining balance on 9 December 2024, prior to any contact from LV. So, at the stage Mr S paid for a replacement ring, he wouldn't have known whether LV would be accepting his claim, or that he would be receiving a settlement at all. Taking this into consideration, I think Mr S would have always taken the steps he has done, regardless of the terms contained within his policy.

Taking all of the circumstances into consideration, I think it was reasonable for LV to rely on the term it has done when settling Mr S's claim. I know this will be disappointing for Mr S as I know how strongly he feels he has been treated unfairly. However, for the reasons I've explained I think LV has settled his claim fairly and so I don't uphold his complaint.

My final decision

For the reasons I've outlined above, I don't uphold Mr S's complaint about Liverpool Victoria Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 January 2026.

Andrew Clarke
Ombudsman