

The complaint

Mr M has complained about the service he received and the advice given by Acromas Insurance Company Limited (“Acromas”).

What happened

The background to this complaint is well known to both parties so I won’t repeat it again here in detail. In summary Mr M had a buildings and contents insurance policy underwritten by Acromas. He made a claim following a jewellery theft from his car. He has complained that he was told the policy limit was £5000 but was subsequently told it was £1000. Acromas settled the claim based on £1000 policy limit.

Acromas accepted that Mr M was told that his policy limit was £5000, although it said that he wasn’t promised he would be paid this amount. It offered £100 in compensation for the disappointment suffered.

Unhappy, Mr M referred his complaint to our Service. He complained that he had received poor service and the figure the settlement was based on was incorrect.

Our investigator recommended that the complaint be upheld. They felt that the settlement offered was fair but that a further £100 should be paid in compensation for a failed appointment and poor communication.

Acromas agreed but Mr M didn’t. He said that the offer of compensation didn’t begin to address the service provided and the distress caused. He also said that it wasn’t for only a few days that he understood that he was entitled to £5000 – he had believed this figure was correct all along and only sought clarification from Acromas.

As no agreement has been reached the matter has been passed to me to determine.

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.

Firstly I’d like to reassure Mr M that while I’ve summarised the background to his complaint and his submissions, I’ve considered all he’s said and sent us. Within this decision though, I haven’t commented on every point he’s made, rather I’ve focused on what I consider to be the key issues. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I should also make clear that here I haven’t considered the actions of the broker or the sale of the policy, as that is not a complaint against Acromas.

Acromas has a regulatory duty to handle claims promptly and fairly. So I’ve considered all the circumstances in order to see if it treated Mr M fairly. Having done so, I agree with the conclusions reached by the investigator. I’ll explain why.

The policy terms form the basis of Mr M’s insurance contract, so I’ve looked to see what the

terms provide. Under Personal Belongings – Unspecified Items, the policy says:

We cover the following

Valuables, personal belongings and bicycles, which belong to you or which you:

- *are responsible for under a hiring or legal agreement: or*
- *have in your custody and are legally liable for.*

The most we will pay for any one claim caused by theft or attempted theft from a motor vehicle that is not occupied is £1000.

Mr M says that he was misadvised about the amount of cover – he believes he was told it was £5000. I've listened to the calls Mr M had with Acromas. When Mr M reported the claim on 24 July 2024 he was advised that the limit was £1000. In the next call with Acromas Mr M told the adviser that there had been an issue at renewal but that he had spoken to the broker and increased the level of cover to £5000. The agent said that he would clarify this.

In a further call on 2 October 2024 the adviser explained that he had validated the claim which would be passed to home claims to discuss settlement. Mr M asked about the claim value and the adviser said he thought it was £5000. The adviser didn't mention the limit on theft from a motor vehicle.

It is understandable that Mr M thought he then had £5000 of cover. So I appreciate how disappointing it would have been for Mr M when the correct figure was confirmed two days later. Acromas offered £100 for this and a failed call back. Mr M had sent three emails to chase. I find that compensation is due for this poor service and that £100 is fair. But I note that Mr M was also promised a home visit – which then didn't take place without notification. I agree that this, along with the poor communication during the course of the claim, would also have caused inconvenience. I find that compensation is merited here and am satisfied that a further £100 is fair.

In all the circumstances there is no basis for me to require Acromas to settle Mr M's claim based on £5000 – the policy clearly states the limit for theft from a motor vehicle is £1000. I'm sorry to disappoint Mr M. For the reasons given I do find that the service he received was lacking and that compensation - a total of £200 - is due.

My final decision

My final decision is that I uphold this complaint in part.

I require Acromas Insurance Company Limited to pay Mr M a total of £200 in compensation. It can deduct any sum in compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 December 2025.

Lindsey Woloski
Ombudsman