

The complaint

Mr and Mrs R are unhappy that their claim for lost jewellery was declined by Liverpool Victoria Insurance Company Limited (“LV”) under their home insurance policy.

What happened

Mr R made a claim when his wife lost the diamond from a piece of jewellery inside their home.

LV reviewed the claim and decided to decline it. It checked whether any insured peril had occurred but couldn’t find anything within the policy where Mr R could make a valid claim, so it decided to decline it.

Mr R complained. He said the claim hadn’t been dealt with fairly. He said he been misinformed prior to the claim, that the ring was covered. He was also unhappy with how LV handled a subsequent subject access request (SAR) he made.

Our investigator decided not to uphold the complaint. She thought LV had declined the claim fairly and in line with the terms and conditions of the policy. She thought Mr and Mrs R had an opportunity to review the policy terms when purchasing the policy. Mr R disagreed, so the case has been referred to an ombudsman.

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 appreciate it’s difficult when losing a valuable item that carries sentimental importance, but unfortunately, I’m not able to uphold this complaint. I’ll briefly explain why.

It’s extremely rare that an insurance policy covers every eventuality. If all policies covered all risks then cover would prove cost prohibitive for many consumers. Instead, insurers provide cover for a specific range of one-off risks (such as fire, theft, storm) and they limit their liability by financially capping cover or excluding certain conditions (e.g., wear and tear). In doing this, insurers can offer a pragmatic level of cover at an affordable price.

Mr and Mrs R’s specific policy doesn’t provide cover for items (such as the ring’s diamond) lost within the home. The policy did cover valuables for up to £10,000, however this was only in the case of certain scenarios such as fire or theft. LV have also said the claim would have been covered if Mr and Mrs R had the optional ‘*personal belongings*’ cover. They have provided evidence to show they opted out of this cover.

Mr and Mrs R did have accidental damage cover and enhanced accidental damage cover. However, having reviewed the policy documentation and reviewing the responses from LV,

this doesn't cover the scenario of a lost diamond in the home. I therefore haven't seen anything to conclude that LV have declined the claim unfairly.

Mr and Mrs R are unhappy also, as they say they were led to believe the claim would be covered. However, having reviewed the full file and communications, I don't think LV did anything wrong here. LV might have confirmed that jewellery up to the value of £10,000 did not need to be specified separately, but this did not mean the diamond would be covered in any eventuality or that any claim would be paid. I haven't seen any evidence of misinformation from LV.

Mr R has said the policy isn't clear and was misleading. However, I don't agree. I can't see where the policy suggested lost jewellery within the home would be covered. If Mr R found it ambiguous then he has a broker who can help with queries. I don't think LV have done anything wrong here. Policy documentation and in particular the Insurance Product Information Document (IPID) can't explain and cover every eventuality.

Mr R has complained about delays in receiving information through a subject access request. I believe he has taken these concerns to the Information Commissioner's Office (ICO) and so I won't be commenting on this further.

So, for the reasons I've set out, in these unfortunate circumstances, I don't uphold this complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 26 January 2026.

Yoni Smith
Ombudsman