

## The complaint

Mr and Mrs F complain about how Advantage Insurance Company Limited (AIC) dealt with and settled an insurance claim following the loss of jewellery.

## What happened

The background to this complaint and my initial conclusions were set out in my provisional decision dated 24 October 2025 – a copy of which is set out here. In my provisional decision I explained why I didn't intend to uphold Mr and Mrs F's complaint. I said:

### ***"What happened***

*Mr and Mrs F hold a household insurance policy, which is underwritten by AIC. This policy renewed on 18 February 2025 and AIC said policy documentation was emailed to Mr and Mrs F on this date.*

*AIC said the policy was initially taken out online by Mr and Mrs F and that they selected the cover they'd wanted during the online quotation process. It said they hadn't made any changes that are material to this complaint prior to the date of loss.*

*On 3 March 2025 Mr and Mrs F contacted AIC to notify a claim. Mr F said he'd lost a gold chain while away from his home and thought this had happened on around 27 February 2025 when he'd noticed the item of jewellery was missing.*

*AIC appointed a contents specialist, which I'll refer to here as "S" to validate the claim. S discussed the claim with Mr and Mrs F on 12 March 2025 and proof of ownership and purchase for the lost item was provided by them.*

*On 14 March 2025, S sent its report to AIC, which confirmed that it had validated the lost jewellery item and its value. But it raised concerns that Mr and Mrs F hadn't specified the gold chain on their policy under the cover away from home section.*

*On 24 March 2025 AIC informed Mr and Mrs F that it had accepted the claim. But it explained that it had restricted cover for their loss to £1,500 because this was the single article limit within the policy. Mr and Mrs F didn't accept this offer. They stated the lost jewellery was valued at £4,500 and wanted AIC to settle their claim in this sum.*

*AIC subsequently informed Mr and Mrs F on 3 April 2025 that their loss wasn't covered by their policy of insurance and withdrew its offer to settle the claim for £1,500. Mr and Mrs F complained about what happened.*

*AIC investigated Mr and Mrs F's concerns but didn't uphold their complaint about the claim outcome it had reached. It stated that when Mr and Mrs F had taken out, and subsequently renewed their policy of insurance, they'd separately specified that they wanted to insure the item that had been lost. But they hadn't selected cover away from home for this item. So, the gold chain wasn't insured when taken out of the home. But as a gesture of goodwill AIC offered to settle the claim for £1,500 as it had initially offered.*

*Within its final response to Mr and Mrs F's complaint, AIC accepted they'd received suboptimal service. It apologised for providing conflicting information about whether the claim had been accepted. And it paid Mr and Mrs F £100 in compensation to recognise the trouble and upset that had caused.*

*Being dissatisfied with how AIC had dealt with their complaint, Mr and Mrs F referred it to our service. Our investigator assessed the evidence provided and recommended upholding this complaint. They accepted that Mr and Mrs F hadn't selected cover for the gold chain away from the home when they took out and later renewed their policy. But they weren't persuaded the policy wording clearly showed that their jewellery item wasn't insured when away from the home. They recommended that AIC settle the claim subject to a maximum limit of £5,000 less any applicable excess. In relation to the suboptimal service Mr and Mrs F had experienced, our investigator thought the amount already paid was fair and reasonable.*

*Mr and Mrs F accepted our investigator's view of this complaint. But AIC rejected it and requested an ombudsman decision. So, I've been asked the fairest way to decide this complaint.*

### **What I've provisionally 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'm sorry to hear about the difficulties Mr and Mrs F experienced here. I know they feel very strongly about this matter, and I appreciate the reasons they brought their complaint to our service. However, while I sympathise, the issue that I must determine is whether AIC made a mistake, or treated them unfairly, such that it needs to now put things right.*

*Where the information I've got is incomplete, unclear or contradictory I must base my decision on the balance of probabilities. I'd like to thank Mr and Mrs F and AIC for the level of detail contained within their submissions. I've read and considered all the information provided. But if I haven't specifically referred to a point that they've made it isn't because I've failed to take it on board and think about it. It's because my decision will focus on what I think are the key issues. This approach reflects the informal nature of this service.*

*This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.*

*I mentioned in the background to this complaint that our investigator recommended upholding this complaint. But, having thought very carefully about what Mr and Mrs F and AIC have said, I've reached different findings as to the merits of this complaint. For that reason, I'm drafting a provisional decision to explain why I'm not intending to uphold this complaint. This is to ensure fairness and allow all parties the opportunity of providing any further responses they wish me to consider before I issue a final decision on this complaint.*

*Insurers must deal with claims promptly, fairly and must not unreasonably decline a claim – as set out in the Insurance Conduct of Business Sourcebook (ICOBS). I've considered this and the Consumer Duty together with other relevant rules and guidance when determining this complaint.*

*Based on the available evidence, I'm satisfied that Mr and Mrs F's policy with AIC was taken out online after they applied for a quote. It was sold on a non-advised basis. This means AIC didn't need to make sure that the policy was suitable for Mr and Mrs F's needs. But it had a duty to provide information that was clear, fair and not misleading so Mr and Mrs F could make an informed decision on whether the policy was suitable to their needs. The responsibility for ensuring they had the cover they required rested on Mr and Mrs F.*

*Cover for contents away from the home is typically always a policy 'add-on' offered by insurers. Because it's an extension of cover it will attract an additional premium. That's because the risk the insurer is being asked to take on will have increased.*

*I can see from the policy documentation that Mr and Mrs F requested cover for personal possessions away from the home in the sum of £5,000. This is listed on their policy schedule. They also requested cover for specified items, which included "gold jewellery and coins; value £5,000". Mr and Mrs F's policy schedule goes on to confirm that there's no cover away from home for their specified item. And it states directly underneath that the policy provides £5,000 of cover for general possessions away from the home.*

*It's clear from what Mr and Mrs F told AIC, and our investigator, that they believe the lost gold chain was insured when worn away from home. I accept that their belief was genuinely held. But it's also clear from the policy documentation that, while Mr and Mrs F may have intended to insure the gold chain away from the home, they didn't do this. So, the policy doesn't cover this item if it is lost or stolen outside the home as occurred here.*

*I've considered the information AIC shared with our service about the online quotation journey that Mr and Mrs F would have taken when they initially incepted their policy. I'm told by AIC, and there's no controverting evidence here, that no material changes were made by Mr and Mrs F in relation to insuring the gold chain prior to the policy renewing in February 2025. This persuades me that the information entered online by Mr and Mrs F when they first incepted their policy applies to the claim they made here.*

*In addition to the evidence AIC provided of Mr and Mrs F's online journey I've also created a quotation online so that I can see what information is presented when looking to take out personal possessions cover and whether it's misleading or ambiguous.*

*When providing information about the quotation online, AIC asks "do you need cover for any individual items worth over £1,500...". Had Mr and Mrs F answered this question affirmatively, they'd have been asked to provide a description and value for their item. This then prompts the follow up question "do you wish to cover this item away from home?" with guidance underneath which advises that selecting cover away from home will increase the cost of the policy.*

*The online journey to obtain a quotation continues by AIC asking, "do you want to insure your general personal possessions away from the home?". There's a box underneath which explains:*

*"personal possessions are items valued under £1,500 that you might take outside the home like laptops, tablets, mobile phones, jewellery, clothing and handbags. If you tell us you don't want this cover, you won't be insured for loss or damage to any items away from the home address, unless you've entered them as specified items away from the home".*

*Based on the available evidence, it's likely that Mr and Mrs F selected "yes" to this section and confirmed the amount they wanted to insure was £5,000.*

*I have every sympathy for Mr and Mrs F but I think the information presented on the website that they'd have used to obtain a quotation was transparent and clear. There's guidance, which is easy to understand about how answering questions in relation to personal possessions and specified items might impact on how a claim might be settled. It's clear that possessions that are valued over £1,500 are treated separately to those that are valued under that amount.*

*I'm satisfied that the information presented and the questions asked when applying for a quote aren't misleading, confusing or ambiguous. And, based on the online quotation journey, I'm persuaded it ought to have been clear to Mr and Mrs F that they'd need to separately select that they wanted cover away from the home for their gold chain. I also think it was clear that this item wouldn't be covered under the general personal possessions clause as relates only to items valued under £1,500.*

*After incepting their policy, AIC said it provided policy documentation to Mr and Mrs F the same day by email. This happened most recently on 18 February 2025 when the policy renewed. Mr and Mrs F haven't disputed receiving their policy documentation and I can see they've referred to having read their policy documentation after receiving it in line with a policyholder's obligation to do so.*

*I've carefully considered the policy documentation that was emailed to Mr and Mrs F, which includes their welcome letter, statement of insurance and policy terms and I'll explain why I'm not persuaded these documents were ambiguous or misleading.*

*The statement of insurance is a relatively brief document, which summarises the extent of cover provided. On page 2 of that document, under the "your contents cover" section it explains that Mr and Mrs F have specified "gold jewellery and coins" as being covered up to a value of £5,000. Underneath the value, it's clearly endorsed that there's no cover for the specified item away from the home. Confirmation is then provided stating that general possessions away from the home are covered up to £5,000.*

*The policy terms outline that in cases where a claim is made for personal possessions, there's a single item limit of £1,500. The table of cover within the terms explains that for contents insurance generally, there's a single article limit unless an alternative amount is specified. Again, I think it's clear in the policy terms that unless an item is separately specified it will be subject to a £1,500 limit if lost, stolen or damaged.*

*Mr and Mrs F have argued that the personal possessions section of their policy covers "loss or damage to personal possessions anywhere in the British Isles for the duration of the policy or anywhere in the world for up to 60 days... as long as the personal possessions are away from home..." They believe this clause covers the circumstances of their loss. But I disagree because, as I've already mentioned, personal possessions are limited to a single article limit of £1,500. And the value of their gold chain exceeds that. So, this clause doesn't apply to their claim.*

*I'm persuaded that if Mr and Mrs F had carefully read their policy documentation, they'd have noticed they hadn't purchased cover for their gold chain away from home. If they'd been unsure, they could have contacted AIC to query their level of cover. And if they weren't satisfied that the policy incepted suited their requirement they could then have exercised their right to cancel their policy without penalty during the cooling off period.*

*I appreciate that Mr and Mrs F aren't happy that the policy didn't give them the benefit of the full value of replacing their gold chain as they'd wanted. But, having considered the sales process, and the policy terms and conditions, I'm satisfied AIC provided information about the policy in a clear, fair and not misleading manner.*

*I'm also satisfied that AIC's offer to settle Mr and Mrs F's claim subject to the single article limit of £1,500 is fair and reasonable. I say this because they aren't technically insured for their loss under the personal possessions part of their policy due to the value of the lost item and they aren't insured to take this item away from the home either. In offering to settle a claim in circumstances where the claim isn't covered by the policy terms AIC is demonstrating fairness and reasonableness here. It follows that I'm intending to direct it to settle Mr and Mrs F's claim by paying them £1,500 less any excess.*

*I'll turn now to the admissions AIC made about the suboptimal service Mr and Mrs F experienced during their claim. This relates to them being initially advised that their claim had been accepted when, as I've indicated the circumstances of loss weren't covered by their policy. I think this created an unfair expectation in Mr and Mrs F's mind that their claim had been accepted by AIC. So, I can understand the confusion, concern and distress they experienced when it later informed them it was repudiating their claim.*

*As I mentioned in the background to this complaint, AIC apologised for what happened here and paid Mr and Mrs F £100 in compensation to recognise the trouble and upset they were caused. I've carefully thought about whether this is fair and reasonable.*

*Our service isn't here to punish businesses. To put matters right, I'd have asked AIC to apologise and make an appropriate award of compensation to reflect the trouble and upset caused. When deciding what potential compensation to award our service must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.*

*In relation to financial loss, I haven't seen any evidence that demonstrates Mr and Mrs F have suffered financial loss because of the poor service they received. So, I'm not intending to make an award for financial loss here.*

*Turning to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular errors. It's my role to consider what impact AIC's actions had on Mr and Mrs F and to decide, within guidelines set by our service, what an appropriate amount of compensation might be.*

*Having had regard to these guidelines, I'm persuaded that £100 is a reasonable amount of compensation that reflects the trouble and upset Mr and Mrs F would have experienced here. It's consistent with awards our service has made in similar circumstances and it's what I'd have suggested had no offer been made. So, I won't be requiring AIC to increase the amount it's already offered. I understand this has already been paid.*

*I'm sorry to disappoint Mr and Mrs F but for the reasons outlined I'm not intending to uphold this complaint."*

*In my provisional decision I invited both parties to respond with any additional information they wanted me to consider before I made my final decision, which is our service's last word on the matter.*

*Mr and Mrs F responded disagreeing with my provisional decision. They stated AIC's online quotation journey had changed substantially from when they incepted their quote to the present time. They provided a screenshot which they say was taken at the time they took out their policy, which argued confirmed that changes had been made to AIC's online quotation process since their policy was incepted.*

In their written representations, Mr and Mrs F said they were firmly of the opinion they'd had the benefit of cover for the gold chain away from home because they'd paid an additional premium and thought the policy documents supported that belief.

Turning to AIC, it responded to my provisional decision confirming that it accepted my decision. It explained that it was keen to take learning from this case. And it asked whether, if it had not offered to settle Mr and Mrs F's claim, I'd have supported that stance due to my provisional findings that the gold chain wasn't covered under their policy.

AIC was provided with a copy of the screenshot Mr and Mrs F shared with our service. It didn't agree that this was an accurate reflection of what Mr and Mrs F would have seen when they incepted their policy using the journey they took. It said this reflected a different online journey and indicated that this called the screenshot's reliability into question.

### **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've carefully considered the screenshot provided by Mr and Mrs F. But it's of limited assistance here because it isn't complete and is undated, which makes it impossible to discern when the screenshot was taken.

The screenshot provided contains a question *"do you wish to cover this item away from home"*. But the text box underneath that question is incomplete. Our investigator requested a screenshot showing the complete text box from Mr and Mrs F. But they've been unable to provide this. I've therefore placed limited weight on the screenshot shared with our service in response to my provisional decision. They don't corroborate Mr and Mrs F's assertions that the online quotation journey has significantly changed.

I'm sorry to disappoint Mr and Mrs F but there's no evidence that AIC's online quotation journey has changed significantly since they incepted their policy. And I remain persuaded that the online quotation that I created as part of my assessment of this complaint is reflective of the information and questions that Mr and Mrs F would have seen when they took their quote out.

I remain satisfied that Mr and Mrs F were presented with clear and unambiguous information when taking out their policy and immediately afterwards via the provision of their policy documentation. It ought to have been clear to them pre and post policy inception that their gold chain hadn't been insured away from home.

In response to AIC's request for clarification and pursuit of further learning, I'm persuaded that if AIC hadn't offered to settle Mr and Mrs F's claim for the lost gold chain in the sum of £1,500 I wouldn't have directed it do so. I say this because, as outlined in my provisional decision, the chain wasn't insured when away from the home under the single article limit. It needed to be insured separately as a specified item given its value. And it wasn't.

As AIC offered to settle Mr and Mrs F's claim for £1,500 in circumstances when their loss wasn't covered by their policy, I'm not going to reverse that decision. I'm satisfied that offering to settle a claim that wasn't covered by the policy indicates that AIC has taken a fair and reasonable approach here. It should therefore pay that sum to Mr and Mrs F to settle this claim less any applicable excess.

Within its final response to this complaint, AIC offered to make payment of £100 in compensation to Mr and Mrs F in recognition of the conflicting information about their claim. I

remain satisfied this amount is fair and reasonable. If it hasn't already paid that sum, AIC should pay Mr and Mrs F £100 to resolve this complaint.

I recognise Mr and Mrs F's strength of feeling about their complaint. But they haven't presented any new arguments or evidence that persuade me that I should depart from my provisional decision. I'm therefore not upholding this complaint.

### **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 Mr F and Mrs F to accept or reject my decision before 8 December 2025.

Julie Mitchell  
**Ombudsman**