

The complaint

Ms K complains about the response of U K Insurance Limited ('UKI') to her home insurance (contents) claim.

UKI are the underwriters (insurers) of this policy. Some of Ms K's dissatisfaction relates to the actions of agents that were acting on behalf of UKI. As UKI have accepted responsibility for their agent's actions, any reference to UKI in this decision should be interpreted as covering the actions of their agents.

What happened

The background to this complaint is well known to Ms K and UKI. I won't repeat in detail what's already known to both parties, instead, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

In January 2025 Ms K made a claim on her policy following her daughter's car being broken into. Two bags and gold jewellery were stolen. The jewellery was listed as a specified item on the policy with a value of over £6,000. UKI eventually said the maximum payable following theft from an unattended car was £2,000, rather than the specified item value.

Ms K raised a complaint and UKI offered £250 to recognise that there may have been a loss of expectations following the information Ms K was given in the first notification of loss call.

Ms K referred her complaint to our Service for an independent review. Our Investigator didn't recommend that the complaint be upheld and as the dispute remained unresolved, it was referred to me for a decision. I recently sent both parties a copy of my provisional, intended findings. As the deadline for responses has now passed, I've considered the complaint for a final decision.

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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Both parties responded to the provisional decision, but only UKI accepted it. I've paid particular attention to Ms K's email dated 23 November 2025. As explained in the provisional decision, if Ms K is alleging this policy mis-sold, she needs to raise that with UKI as a new complaint. UKI have said they sent Ms K relevant renewal information at each renewal, Ms K says she wasn't sent the information. In any case, I'd have expected Ms K to reasonably query if she hadn't received policy information after each renewal. Overall, I'm satisfied that the correct policy limit UKI have relied on following theft from a car is £2,000.

As no new representations have been made that would materially influence or change the

outcome I'd intended to reach, I find no fair or reasonable reason to deviate from my provisional findings. Therefore, they form the basis of this, my final decision.

The scope of my decision

Before our Service can investigate a complaint, the respondent business (UKI) must first be given an opportunity to respond to that complaint. I make this point as, after complaint referral, Ms K has referred to also being unhappy with the sale of this policy. I've clarified with UKI what was complained about prior to the issue of their final response letter dated 25 February 2025. If Ms K is unhappy with the sale of the policy, she'd need to first raise that with UKI.

This decision will consider whether UKI have fairly considered the claim before offering settlement in line with the policy terms. I'll also consider the service provided by UKI, particularly in relation to the incorrect information initially given to Ms K.

UKI have not confirmed the status of the claim prior to this decision, they've an opportunity to do so before I consider the complaint for a final decision – as this impacts the direction in my decision.

My key findings

Ms K says she didn't receive the policy documents at renewal so wasn't aware of the lower policy limit. UKI have shown that these documents were sent and not returned to them as undeliverable. I also note the address on the policy schedule is the same address Ms K has used to communicate with our Service. This insurance policy was set to auto-renew and Ms K was sent a renewal invite dated 18 November 2024. There was no contact from Ms K to accept or reject the renewal offer and the policy renewed on 21 December 2024.

The relevant policy limit

There is a very important nuance here that I must make clear. Ms K had 'named' items under the contents section of cover. The contents section of cover is intended to respond to losses that occur at Ms K's home property.

Ms K also has 'personal possessions' cover, which is intended to cover some of Ms K's contents away from the home. Within the 'contents' section of cover referenced in the previous paragraph, there is an allowance for items temporarily away from the home. But this part of cover excludes anything that falls under 'personal possessions'.

This claim has been considered under personal possessions and I find that to be reasonable. The relevant policy limits for each section of cover are found on page four of the policy terms. It's stated (summary of policy limits):

"Theft from unattended motor vehicle...£2,000"

Page twenty-one of the policy terms, personal possessions section, stated (bold added for my emphasis):

"How much we will pay

The most we will pay for any claim will be:

> the Personal Possessions sum insured shown on your schedule

> £4,000 for any one item, set or collection unless your schedule shows otherwise

> £1,000 for any bicycle unless it is specified on your schedule

> £2,000 for theft from an unattended motor vehicle.”

I'm satisfied that UKI fairly applied the correct policy limit - as the theft occurred from a car and this lower limit was made sufficiently clear in the policy terms. An error or inaccurate information given by one of UKI's call agents when the claim was made doesn't override the policy terms which underpin the contract of insurance Ms K and UKI entered into. Human error does happen, but I'm satisfied that the correct policy limit relevant to this claim is £2,000. In a different scenario, Ms K may well have been covered for the loss of the items outside of her home, up to the specific value – but the lower theft from a car policy limit applies to the circumstances of this claim.

I've noted that Ms K paid a £350 policy excess on the understanding that the higher policy limit (specified item) was relevant. When it was established, this was incorrect, UKI offered to return the policy excess if Ms K didn't wish to proceed. UKI have now confirmed that the policy excess was retained, but no claim settlement was paid out.

The service provided

UKI accepted that they've let Ms K down with the information communicated about claim limits after she reported the claim. There is no doubt that avoidable annoyance and loss of expectation have been caused. But when I've considered the compensation offered (and paid) of £250 against our published guidelines on these types of awards, I find it to be fair, reasonable and proportionate – relative to the impact on Ms K.

Other points raised

Ms K has referred to a number of renewal letters received with varying renewal prices. I've queried this with UKI and they've replied:

*“The schedule that we provided dated in August 2025 with a premium price of £1,238.72 relates to the policy year the claim took place (22/12/2024 to 21/12/2025). **The August date is noted because this is the date they were reprinted.** It appears previous years policy documents were also printed, so this would account for the different premiums. But, they would be dated the reprint date.”*

I'm satisfied UKI have provided a satisfactory explanation, although I acknowledge why this may have caused uncertainty for Ms K.

Putting things right

Under our fair and reasonable remit, if Ms K wishes to proceed with the claim, I direct UKI to do the following:

- Deduct the policy excess from the overall cost of the claim (the value specified on the policy) and they should cover the remaining amount up to the lower policy limit (£2,000).

Given the much higher value of the overall claim, deducting the policy excess from the policy limit will result in an unfair outcome for Ms K as she would neither receive the stated value of the items (the higher policy limit), nor the lower policy limit of

£2,000.

Whether Ms K chooses to proceed with the claim or not:

- The excess charged will need to be refunded and 8% simple interest added per annum from the date of UKI taking the excess payment until the date it's refunded to Ms K.

My final decision

My final decision is that I partially uphold this complaint.

Subject to Ms K accepting the decision before the deadline set below, I direct U K Insurance Limited to follow my direction as set out under the heading '*Putting things right*'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 23 December 2025.

Daniel O'Shea
Ombudsman