

## **The complaint**

Mrs D complains abouts Admiral Insurance (Gibraltar) Limited (“AIL”) and their decision to decline the claim she made on her home insurance policy.

Mrs D has been represented by Mr D during the claim and complaint process. For ease of reference, I will refer to any actions taken or comments made by either Mrs D or Mr D as “Mrs D” throughout the decision where appropriate.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mrs D held a home insurance policy, underwritten by AIL, when she lost a diamond from her ring. So, she contacted AIL to make a claim.

AIL declined Mrs D’s claim, explaining she didn’t hold optional accidental damage cover meaning the loss wasn’t covered by the policy they provided. Mrs D was unhappy about this, so she raised a complaint.

In summary, Mrs D set out why she felt the claim decline was unfair as she felt the policy documentation was unclear and misleading. Mrs D explained that, based on the documentation, she was of the understanding that a situation such as the one she found herself in would be covered. So, she wanted AIL to accept and settle her claim, as well as re-write their policy documentation to ensure it was clearer in the future.

AIL responded to the complaint and didn’t uphold it. They thought their policy documentation was reasonably clear and that they declined the claim fairly. So, they didn’t offer to do anything more. Mrs D remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator explained they thought AIL were fair to decline the claim. And, that the policy documentation was reasonably clear. So, they didn’t recommend AIL do anything more.

Mrs D didn’t agree, providing several comments setting out why. These included, and are not limited to, her continued assertion that the policy documentation, including the summary document and the definition of accidental damage, was unclear and misleading. So, Mrs D maintained her position that AIL had declined her claim unfairly. As Mrs D didn’t agree, the complaint has been passed to me for a 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.

Having done so, I’m not upholding the complaint for broadly the same reasons as the

investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've been able to consider and how. I note Mrs D raised concerns about how AIL handled, and responded to, her complaint. But complaint handling is an unregulated activity that falls outside of our services jurisdiction to consider. So, this isn't something I will be commenting on within this decision.

I also note Mrs D has expressed her wish for AIL to re-write their policy documentation. But this isn't something our service has the powers to direct as the way in which a business chooses to write their policies and accompanying documentation ultimately forms part of their commercial decision making. And this would fall under the remit of the industry regulator, the Financial Conduct Authority, to investigate. So, this isn't something I've considered further.

Instead, my role and the role of our service is to consider the individual circumstances of Mrs D's complaint and decide whether I'm satisfied AIL acted fairly and reasonably. So, this is what I've done here. And in situations where I am persuaded they have failed to do so, any direction I make would then be intended to recognise the impact caused to Mrs D specifically. It would not consider wider impact to the public or other customers.

I want to be clear that insurance policies don't, and aren't designed to, cover every eventuality. So, AIL deciding to decline the claim doesn't mean they have automatically acted unfairly. But our service would expect AIL to consider Mrs D's claim fairly and reach a decision that falls in line with the terms and conditions of the policy they provided.

In this situation, I'm satisfied the claim Mrs D made doesn't fall with the contents insured risks that are included as standard with all levels of cover. Instead, as Mrs D lost the diamond at home, I'm satisfied the relevant and most appropriate cover applicable for the claim would be accidental damage, which is defined as "*sudden, unexpected and visible loss or damage which has not been caused deliberately*".

And having read through all the policy documents, including the policy schedule, I'm satisfied Mrs D didn't choose "*full contents accidental damage*", which was listed as optional cover she could select for an additional premium. Nor was this included as standard for Mrs D's specified items, such as her diamond ring.

So, under a strict application of the policy terms and conditions, I'm satisfied AIL were reasonable to decline the claim as the loss circumstances didn't arise from an insured event under the level of cover she held.

But I recognise this isn't necessarily in dispute. Instead, what is in dispute is the clarity of AIL's policy documents, with Mrs D setting out why she feels this was mis-leading and resulted in her believing she held cover for the loss she incurred. And Mrs D has explained in detail why she feels it is this point that should result in AIL being directed to accept and settle her claim.

This includes her belief that the policy summary document AIL provided was purposefully misleading and provided a definition that differed from that of her policy terms and conditions.

I want to be clear that any summary document provided by an insurer is intended to be that, a summary of the cover the policy provides. As it is intended to provide a summary, I

wouldn't expect this document to provide every claim scenario, as it wouldn't be feasible to do so. Nor is this document intended to act as a replacement document for the more detailed policy terms and conditions. So, I'm not persuaded this document, or how it was worded, means AIL acted unfairly, or unreasonably, here.

When a customer such as Mrs D takes out an insurance policy, our service would expect a customer to ensure they had an understanding of the policy, and the cover it provided. And I note in the renewal documents sent to Mrs D in December 2024, this renewal cover letter explains "*it is important to check that your renewal and level of cover is suitable for your needs*". So, I'm satisfied AIL made this expectation clear and were fair to assume Mrs D had done so.

This understanding would extend to ensuring Mrs D understood the scope of the policy, which is laid out in detail within the policy terms and conditions. These terms and conditions set out clearly that her policy schedule will "*show the level of cover you have, any option cover you have chosen, your cover limit and excesses and any extra conditions that might apply*".

And I'm satisfied the policy schedule makes it reasonably clear that full contents accidental damage wasn't included with specified items and that it wasn't selected as optional cover. So, I'm satisfied AIL provided reasonably clear information to Mrs D on what her policy would cover her for in this situation.

That's not to say I dispute Mrs D's testimony that she was under the impression any loss in her home would be covered. And I want to reassure Mrs D I've thought at length about her belief that AIL failed to provide a reasonable definition for accidental loss which she feels is different to accidental damage.

But the policy terms and conditions also clearly defined accidental damage as I've already referenced above. And I'm satisfied it's wording makes it reasonably clear that any loss, which was sudden and unexpected and not caused deliberately as was the case in Mrs D's situation, would fall under this category.

So, while I do empathise with Mrs D's situation and I recognise the financial impact this will have had as well as the frustration she has been left feeling, I've not been persuaded that the policy documents were unclear or misleading. So, I've not been persuaded AIL acted unfairly when relying on these to decline the claim. Because of this, I'm not directing AIL to do anything more on this occasion.

Again, I want to reiterate my understanding of Mrs D's position and that I recognise she is unlikely to agree with the above. I can understand why Mrs D feels it is unreasonable for an insurer, and so our service, to expect a customer such as herself to read and understand all the policy terms and conditions considering the length of the document and all the information it contains.

But my decision remains that the policy documents were laid out reasonably and clearly, in a way that ought to have allowed Mrs D to understand the scope of the cover she held or at the very least lead her to query this with AIL for a better understanding if she remained unsure.

### **My final decision**

For the reasons outlined above, I don't uphold Mrs D's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 9 February 2026.

Josh Haskey  
**Ombudsman**