

## **The complaint**

Miss M and Mr M have complained about the handling of their claim under the contents section of their home insurance policy, underwritten by Lloyds Bank General Insurance Limited.

## **What happened**

The details of what happened are well known to both parties. I will summarise them here:

- Miss M and Mr M submitted a claim in March 2025, for items stolen during a burglary.
- Amongst the items was an engagement ring. Lloyds offered a £7,600 voucher for their jeweller partner. They said this was the retail value of a replacement ring. They also offered a cash settlement amount of approximately £4,000. They said this is the cost to them of the voucher.
- Mr M responded and didn't accept the settlement offer. He has subsequently suggested a cash settlement of £6,200, which he has said will allow him to get the ring made up as it was.
- Mr M also raised service issues with the handling of the claim, which Lloyds paid £200 compensation for. Mr M remained unhappy with this.
- Our Investigator looked into it and thought Lloyds had acted fairly. He said the policy provided for Lloyds to settle with a like-for-like replacement or cash settlement (at what the replacement would cost them). He also said the £200 was fair.
- Mr M didn't agree and so the case has been passed to me to decide. Amongst his points in reply, he maintained the replacement ring was not a fair like-for-like replacement. He provided a previous valuation and diamond certificate.

## **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 agree with the Investigator that Lloyds are acting fairly with their settlement offer. I'll explain why.

Firstly, I would like to empathise with Miss M and Mr M. Not only in regard to the difficult circumstances they experienced but then the stress of a disputed claim. I know the ring will have meant a lot to them, making things even more difficult, and I recognise that. However, I have to be fair to Lloyds too and in this case, I am satisfied they are acting fairly and in line with the policy terms and conditions.

The policy states, under “*how we’ll look after your claim*” that Lloyds will “*replace an item with a new item on a like for like basis. When we say, ‘like for like basis’, we mean we’ll try to replace it with an exact match. If we can’t find an exact match, we’ll replace it with the nearest equivalent*”.

The policy goes on to define nearest equivalent as “*an item of the same quality and same specification*”. This is where the dispute lies, and Mr M does not agree that the replacement ring (used to generate the settlement voucher value of £7,600) meets this definition. However, I am satisfied Lloyds are acting fairly here.

Mr M has provided a quote for a new ring (£6,200) which describes it as “*Platinum Tiffany style single stone Diamond ring with 1.00ct, GIA cert and ES1 Diamond handmade mount*”. Lloyd’s supplier has provided evidence to show the replacement ring used for the valuation as meeting that description.

Mr M has challenged that the replacement is the same quality or specification. He has said the cut of the diamond is different and the platinum band is structured and cut differently. However, this hasn’t persuaded me that the replacement doesn’t meet the definition of a nearest equivalent.

There is insufficient evidence for me to conclude that it is of a lesser quality. And whilst Mr M might have shown differences (that is expected with a nearest equivalent as it isn’t an exact match), I find these to be differences in detail rather than to the specification. Which I find the replacement meets.

Lloyds have offered the value of the replacement ring as a voucher, meaning Mr M and Miss M can use this amount towards a ring of their choice from different retailers named on the scheme. I find this a fair proposal. They have also offered a cash settlement, but for a much lesser amount. The amount is in line with what the voucher will cost them, and I find this to be normal practice, in line with the terms and conditions, and fair.

I think it is important to note that policy says If an exact match or nearest equivalent wasn’t found, Lloyds would decide on how much to pay. It would be “*based on an expert opinion of how much it was worth before it was lost, stolen or damaged*”. Therefore, if I had concluded the replacement didn’t meet the nearest equivalent, Lloyds would only have had to pay (under the terms of the policy) what it valued the ring to be worth before the loss.

Lloyds have also paid £200 compensation for the poor service given in handling the claim, in particular not always responding when they should have. Mr M appears to remain unhappy with this. However, having reviewed the file, I do agree with the Investigator that much of the delays were in part due to a disputed claim settlement. I am satisfied that the £200 already paid fairly recognises the impact of the errors and I am not asking Lloyds to pay anything further here.

In summary, I am satisfied Lloyds acted fairly in their settlement and value of the claim. As well as the compensation amount paid. And don’t need to do anything further.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss M and Mr M to accept or reject my decision before 28 April 2026.

Yoni Smith  
**Ombudsman**