

complaint

Mr and Mrs H complain that U K Insurance Limited ("UKI") didn't deal with their burglary claim properly.

background

In August 2014, Mr and Mrs H bought a household insurance policy for their new home. Mrs H was sold this cover by a bank on the phone. During the call, Mrs H was asked about the cover she needed for valuables. Mrs H wasn't sure how much her collection of jewellery was worth. This was because it was made up of a very large number of relatively low value items. But during the call she said that she thought it was probably in the region of £30,000, but could be more. £30,000 also seems to have been the amount these items were insured for on her old policy.

The policy needed to start the next day, when Mr and Mrs H were due to move house. So during the call, the agent contacted UKI, the insurer of the policy. This was to ask it if £30,000 of unspecified cover could be provided. UKI agreed to this. But it said Mrs H would need to produce a detailed listing of all her jewellery items after the start of the policy. Mrs H agreed to cover being provided on this basis.

After the policy had started, Mrs H was contacted a number of times about completing the listing of her jewellery. But because of the size of her collection, it was taking her a long time to produce this listing. In December 2014, Mr and Mrs H were sent a letter by the bank. This said that if the jewellery listing wasn't received within fourteen days, the single item limit for unspecified valuables would be reduced to £2,500. As Mrs H still couldn't produce the listing by this time, this change was made to their policy.

In February 2015, Mr and Mrs H's home was burgled. A large number of items from Mrs H's jewellery collection were stolen. They made a claim on their home insurance policy. When an estimate was made of the value of the jewellery lost, this was much higher than the unspecified valuables limit on their policy. UKI agreed to pay them £35,000 for this loss. This was made up of the £30,000 unspecified items cover limit and the £5,000 general contents cover limit.

Mr and Mrs H weren't happy with the amount UKI had agreed to pay them. They didn't think they'd been given enough time to finish the jewellery listing Mrs H had agreed to produce when the insurance was taken out. So they thought UKI should increase the amount it was prepared to pay them. They also thought that UKI shouldn't have continued to press them for this listing after the burglary. They think this was insensitive. And they also think UKI was wrong to give them the impression that completing the listing might result in a higher claims payment. But they say they now know that this was never going to be the case. So they think UKI should compensate them for the unnecessary distress and inconvenience they've been caused.

Our adjudicator thought Mr and Mrs H's complaint should be upheld in part. She didn't think UKI had done anything wrong in limiting the payment for the lost jewellery to £35,000. But she thought UKI could have handled their claim better than it did. And she said it should pay them £150 for the distress and inconvenience its actions caused.

Neither Mr and Mrs H nor UKI agreed with the adjudicator, so the case has been passed to me.

my findings

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 upholding it in part.

I've listened to the telephone call when Mrs H bought the policy. Mrs H wasn't sure what cover she needed for her jewellery collection. But it's clear she wanted cover put in place before she moved house the next day. And she seems to have been happy for the agent to ask the insurers if it was willing to offer £30,000 of unspecified cover for valuables. I don't think UKI did anything wrong in agreeing to this level of cover from the start of the policy. And I don't think it was unreasonable for it to ask her to produce a detailed listing of her jewellery as a condition of this cover.

Mrs H did say that it might take some time for this listing to be done. But she doesn't seem to have objected to producing it. And she didn't ask for the insurer to consider a higher level of unspecified valuables cover being put in place. She seems to have been happy with the cover offered to her and bought the policy on this basis. I also don't think it was unreasonable for Mrs H to be contacted when UKI didn't receive the listing. I can understand why it thought this listing shouldn't take so long to produce. And I think it was reasonable for UKI to reduce the Single Article Limit on the policy when it still hadn't been received over three months after the policy started.

I've read Mr and Mrs H's policy documents. And I'm satisfied that the amount which UKI has agreed to pay them for their claim is in line with these. So I don't think there is any reason why UKI should be asked to pay Mr and Mrs H any more for their claim.

I've next looked at how UKI have handled the claim. And here, I do think that UKI could have provided a better service to Mr and Mrs H than it did. I think it could have explained more clearly why it still wanted Mrs H to produce the jewellery listing after the theft. Particularly as this listing wasn't likely to change the amount UKI would pay out on the claim. But Mr and Mrs H appear to have been given the wrong impression that it might.

Understandably, Mrs H was very upset after the burglary. So I think UKI could have shown more sensitivity than it seems to have done at that time. If it still needed the jewellery listing, I think it could have offered her more time and support in completing it. And it does appear that Mr and Mrs H may have been left with the wrong impression that completing it could affect the amount UKI would pay on their claim.

So I think Mr and Mrs H were caused some distress and inconvenience by UKI's action. And I think it would be fair for it to pay them £150 in compensation for this.

my final decision

It follows from the above that I'm partly upholding this complaint. I require U K Insurance Limited to pay Mr and Mrs H £150 for the distress and inconvenience it's caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 15 February 2016.

Simon Furse
ombudsman