

complaint

Mr and Mrs Z have complained that UK Insurance Limited (“UKI”) have declined their claim for the loss of Mrs Z’s dental crown when they were initially told that the claim would be met.

background

Mrs Z’s dental crown was, accidentally, thrown away and she rang UKI to see if this loss would be covered by her home insurance policy. The UKI representative Mrs Z spoke to told her that an answer on cover could not be given without a claim being registered. Registration of the claim went ahead and the representative then placed Mrs Z on hold to check whether the claim would be accepted. Mrs Z was then told that UKI would honour the claim and she agreed to obtain an estimate for replacement to allow settlement for this to progress.

However, when UKI received the estimate for replacement it decided that it would not meet the claim as a dental crown did not, in its view, fall for cover under the policy. UKI said for the crown to be covered it would have to be considered a personal possession as defined by the policy. The definition for a personal possession on the policy is:

“Valuables, luggage, clothing, sports equipment, and any other item you normally wear, use or carry” (my emphasis).

In UKI’s opinion, the crown was not, strictly speaking, worn, used or carried and nor was it valuable. Therefore, the definition of the policy could not be met and so neither could the claim, despite the erroneous agreement to pay that had been made. It acknowledged though that it had caused some distress and inconvenience by initially offering/agreeing to meet the claim and so said it would pay Mr and Mrs Z £25 compensation. Mr and Mrs Z were dissatisfied by this as they felt that the agreement should be honoured.

Our adjudicator felt that the complaint should not be upheld, as he felt that UKI had acted fairly in saying that the crown would not come under the definition of a personal possession. He noted the error that UKI had made when Mrs Z first spoke to it, but felt that £25 compensation for the upset this had caused was fair and reasonable.

Mr and Mrs Z were dissatisfied by this. They asked for the complaint to be passed to an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

policy definition

I am satisfied that a dental crown is not a personal possession as defined by the policy. This was not, as I understand it, a gold crown so it could not reasonably have been considered as a valuable item. A crown is not carried by a person. Therefore, the only two possible parts of this definition that might be relevant are the words “wear” and “use”.

“wear”

While I appreciate Mrs Z's view that a crown is not a permanent fixture to the body, I am not convinced that I agree with it. A crown is not something that needs replacing at regular, short intervals and nor is it designed to be taken off or out, at night for example. Were this a temporary dental brace (of the type that is either put in by the individual in the morning or while eating food, for example) then I might find that it would be fair and reasonable to say it is "worn" by the policyholder. However, in this case, I do not think it would be fair or reasonable to say that Mrs Z wore her dental crown.

"use"

In my view, a crown is placed on the tooth by a dentist for protection, while the word "use" denotes an action by the policyholder. Mrs Z then does not really "use" her crown on a daily basis. It is there to protect her tooth but she does not use it. Therefore, I am satisfied that it would not be fair or reasonable to make UKI settle Mrs Z's claim on the basis that it falls for cover under the personal possessions cover of the policy.

the offer/agreement to settle

While I have found that there is no policy cover, I must consider whether UKI have forfeited the right to decline the claim by initially offering to settle it. It is unfortunate (and disappointing when it occurs) but mistakes do happen. It is clear that UKI made a mistake here and I have to decide whether it is fair and reasonable for it to avoid any liability for Mrs Z's loss on that basis (that the offer/agreement was made mistakenly).

I note that Mrs Z did not immediately go out and get a replacement crown; rather she sent in a price list to show the cost she would face. As such, apart from the expectation of receiving the settlement promised (and the claim being logged which I will address below) Mrs Z has not been prejudiced by UKI's mistake. Furthermore, as soon as UKI realised that a mistake had been made, it communicated this to Mrs Z without delay. On balance then, I find that it would not be fair or reasonable to hold UKI to the offer/agreement it initially made with Mrs Z.

compensation

Where an insurer fails a policyholder in some way, this service will sometimes make an award of compensation for any distress and inconvenience that has been caused by this. Here, I find that the distress and inconvenience caused to Mr and Mrs Z by UKI's error would have been minimal. Mrs Z would still have had to look for a price for replacing the crown, even if she had not thought that UKI was going to pay for this. A loss of expectation is frustrating, but I am satisfied that the £25 compensation offered by UKI was not unfair or unreasonable.

my final decision

My final decision is that I do not uphold this complaint. I make no award against UK Insurance Limited.

Fiona Robinson
ombudsman