

## **complaint**

Mr C complains that Royal & Sun Alliance Insurance Plc ("RSA ") hasn't offered him enough under his insurance policy for his broken ornament. Mr C is represented by Ms C.

## **background**

Mr C's ornament got broken accidentally. He claimed under his policy for it, and RSA offered him £1,100, or £1,050 if he wanted to keep the pieces to have it repaired. He said that wasn't enough.

RSA said that it had checked, and that was all that the item was worth. It wouldn't pay any more.

Our adjudicator didn't uphold this complaint. He thought that RSA had offered what the item was worth.

Mr C said that just wasn't enough. He'd paid a lot more than that for it, and he'd insured it for much more. He wanted the amount he'd insured it for. Because Mr C didn't agree with our adjudicator, the case was passed to me for a final decision.

## **my findings**

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

### *The policy*

Mr C has a home contents insurance policy with RSA. That covers him for accidental damage. If RSA agrees to settle a claim, then it can decide whether it prefers to repair the item, replace it, or pay for a new one.

The ornament is listed on Mr C's insurance cover, and it is insured for £5,000. Mr C's policy says that, if he is making a claim, he needs to provide the claims department with reasonable evidence of the value of the item he's claiming for. And he has to pay for that valuation.

### *The valuation*

When Mr C told RSA that the ornament was broken, he said he'd be happy to accept a replacement, or a payment for what it was worth. He told RSA it was a limited edition piece and it was worth £5,000. He said he'd bought it for a bit more than that many years earlier, and didn't think the value could go down. And he provided a valuation from a website which said it was worth slightly more than £5,000.

RSA got a valuation report for the ornament from an antique specialist. That report said that the ornament wasn't worth as much as Mr C thought. Similar ornaments had sold at auction for very much less. If this item had been sold at auction, the report said it would be worth about £600. The report detailed recent auction sales of similar items by the same designer and the same manufacturer at £60 and £280. I know Mr C has provided an online valuation which says the item is worth over £5,000, but the valuation RSA has is from an antiques specialist, and it is backed up with examples of recent sales of similar items. So I think it's

reasonable for RSA to prefer this report and this valuation. I think RSA can base its settlement on this report.

The report said it wouldn't be possible to replace the ornament straight away. RSA is entitled under Mr C's policy to decide how it wants to settle a claim, so it doesn't have to find Mr C a new ornament. It offered Mr C a cash settlement. I don't think RSA did anything wrong when it did this.

The valuation report also said the item might cost £1,200 if it was bought from a dealer. RSA said that this amount, minus Mr C's policy excess of £100, was the maximum it could offer. If Mr C kept the pieces then he could have the item repaired, and it would still be worth something. Mr C didn't say he wanted RSA to collect the pieces. So RSA looked at how much the valuation report said the item would be worth after repair (£300) and then how much a repair would cost (£250) and said Mr C would be £50 better off if he kept the pieces and had them repaired. RSA sent Mr C a cheque for £1,050. I think that is a fair offer.

I know Mr C will be disappointed, but RSA doesn't have to do any more than this.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 16 November 2015.

Esther Absalom-Gough  
**ombudsman**