

complaint

Mrs H complains that Hiscox Insurance Company Limited hasn't paid the full cost of replacing items for which two claims were made under a Home insurance.

background

The claims related to two burglaries at Mrs H's home. A large number of items were reported to have been stolen from the home, including jewellery, electrical items and gold coins. For the latter, Hiscox paid the total amount for which items that the policy classed as "*Valuables*" were covered. It wouldn't pay anything more for these items. Also, it wanted additional evidence showing that Mrs H owned certain items. And explanations of why some items hadn't been included in previous lists of stolen property, and why the sums claimed for others had increased.

I've issued two provisional decisions. As an alternative to evidence of ownership, I thought Hiscox should accept evidence showing that Mrs H was legally responsible for items in the claims. But I said it was entitled to an explanation where inconsistent information had been provided. I thought the policy wasn't drafted well in certain areas. But, on balance, I considered it can fairly be taken to have covered "*Valuables*" for no more than the amount stated as insured for this category of items. That amount was used up in making a partial payment for the gold coins. I thought the type of coin in question is usually intended as a means of holding gold, rather than as part of a coin collection. So, I said the coins could be treated as precious metals. That meant they were within the policy's definition of "*Valuables*". And the policy said coins not forming part of a collection weren't included in the cover for "*Contents*".

As a result of all this, I was minded to conclude that settling the claim for Mrs H's gold coins under the cover for "*Valuables*" wasn't unfair. But I asked Hiscox to provide details of what was said about "*Valuables*" when the insurance was arranged. Subject to this, and where it had received appropriate evidence, and satisfactory explanations of the inconsistencies, I thought it should settle the balance of the claim in line with the terms of the policy. And it should add interest. I award interest where, as a result of the insurer's actions, the complainant has been without the use of money.

Despite her assertion, I said I wasn't satisfied that Mrs H had given the loss adjuster documents that supported her ownership of items for which Hiscox still wanted evidence. And she hadn't explained why items were added to the claim belatedly.

In her response to the second provisional decision, Mrs H said Hiscox's payments fall short of her entitlement. And the interest was miscalculated. In its response, Hiscox said Mrs H obtained the policy online. It said the online information included the full list of items classed as "*Valuables*". And Mrs H would have been asked to state the values of "*Valuables*" and of "*Contents*" excluding "*Valuables*". It said it had settled the claims for items which Mrs H had shown she owned or was legally responsible for. And it had added interest.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In her response to the second provisional decision, Mrs H said that, when she arranged the policy, she noted that Hiscox's definition of "*Contents*" in its policy included "*personal property*". And she'd thought that included jewellery and gold coins. She said her coins weren't part of a collection. So, she'd thought they were money, as this was defined by Hiscox, and money was covered as "*Contents*". She said her jewellery and gold coins are precious metals, and Hiscox's definition of "*Valuables*" didn't mention coins.

While I imagine the full 31 page policy wording was accessible online, I'm not persuaded that Mrs H studied it when applying for the cover. And I'm not persuaded by her account of how she'd understood the cover. She gave that account after I set out analyses of the relevant aspects of the policy wording in my provisional decisions. And, in any event, I think the policy clearly indicated that rings, earrings, etc., aren't treated as precious metals. Also, the policy definition of "*Contents*" said money (as defined – ie including coins that aren't part of a collection) wasn't included, so I disagree with what Mrs H said about this. The policy covered money (including coins that aren't part of a collection) separately for up to £1,000. But I think this was referring to ordinary currency.

Mrs H denied that, some time after she stated which items had been stolen, she'd added other items to the claim. But I don't think the evidence supports her. For example, I've seen two lists of items that she submitted to Hiscox. The second list contains seven items more than the first list. Mrs H also argued that her "*Valuables*" weren't underinsured. But the sum claimed for gold coins alone exceeded the amount stated as insured for all "*Valuables*". She made comments about the items for which Hiscox hasn't paid. For example, she said she'd sent details of a ring to the loss adjuster in November 2010. But this is inconsistent with an earlier letter in which she told us she'd handed pictures of the item to the loss adjuster in December 2010 and sent details to him later that month. She said she hadn't withdrawn a fridge/freezer from the claims. But a list attached to her email of 25 February 2013 included a fridge/freezer, and "*claim withdrawn*" was written against this.

She referred to having provided photographs of expensive items of clothing. But, in my first provisional decision, I said the photographs didn't show the items being worn and there was little in them to indicate that they belonged to her.

I've referred specifically to only some of the points in the lengthy response that Mrs H made to the second provisional decision. But I've carefully considered everything she said. I've mentioned some discrepancies and inconsistencies. In the light of what she's said, I remain of the view that I set out previously. I still think settling the claim for the gold coins under the cover for "*Valuables*" wasn't unfair.

Mrs H said she's still suffering psychological effects of the burglaries. I sympathise but don't think Hiscox has added to these by acting unreasonably.

Hiscox hasn't set out the details of its interest calculations. But it's not clear that it's paid interest for the full period between the burglaries and its payments. It shouldn't just be paid for full years between those dates.

my final decision

I uphold this complaint in part. Where it's received satisfactory explanations of the inconsistencies, and where it hasn't already done so, Hiscox Insurance Company Limited should:

1. settle the claim for items which, on the balance of probabilities, Mrs H shows she owned or was legally responsible for;
2. settle the claim for clothes on the basis of the full replacement cost, provided it's received evidence satisfying 1. above;
3. reissue uncashed cheques without stipulating that they're in final settlement of the claim;
4. pay interest¹ on the payments it's made to Mrs H. The interest should be calculated at 8% pa simple for the full periods from the dates of the burglaries to the date(s) of Hiscox's payment(s).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 April 2016.

S Lilley
ombudsman

¹ HM Revenue & Customs requires Hiscox Insurance Company Limited to take off tax from this interest. Hiscox Insurance Company Limited must give Mrs H a certificate showing how much tax it's taken off if she asks for one.