

## **The complaint**

Mrs G complains about Accredited Insurance (Europe) Ltd (Accredited) who declined her claim under her home insurance policy.

## **What happened**

Mrs G held a policy with Accredited, and lost a ring, so she made a claim. During the claims process, Accredited requested an up-to-date valuation (which was a requirement under the policy). Mrs G was unable to provide an up-to-date valuation (that is a valuation carried out by a UK based jeweller, within the last three years), so Accredited instructed a valuer. Mrs G provided a valuation dated in 2012, when at that point the value of the ring was £3,500.

The valuer valued the ring at £9,200. Because of this, Accredited declined the claim as it said that Mrs G had underinsured the item. And under the policy terms and conditions, and in particular the endorsements, Mrs G had the obligation of providing an inspection warranty and valuation of the ring, that was up to date. And as this wasn't done, cover didn't apply.

Mrs G complained to Accredited as she said that she had obtained a valuation within the last three years, but she had misplaced it. She also said that the jeweller that she obtained the valuation from was no longer trading, so the only valuation that she was able to produce was one dated in 2012.

In its final response, Accredited maintained its position and as Mrs G was given her referral rights, she referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. She said that whether Mrs G had a valuation or inspection as required by the policy, had no material effect on the loss which occurred. Having a valuation or inspection report would not change the fact that Mrs G lost her ring. She recommended that Accredited settle the claim under the remaining policy terms, pay Mrs G £100 compensation for the trouble and upset caused. And pay 8% interest from August 2023, until settlement.

Mrs G accepted the view, Accredited did not. It said that Mrs G had not only breached the valuation requirement of the policy, but she had also breached the inspection warranty of the policy, which stated that the loss wouldn't be covered. Further, the endorsements had also not been met. This meant that Mrs G hadn't complied with the policy terms, conditions, and endorsements, which were all clearly outlined. So, it asked for a decision from an ombudsman.

## **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.

I considered the complaint, and I thought the complaint should be upheld. I issued a provisional decision on 15 January 2024 and asked both parties to send me anything else by 12 February 2024. In my provisional decision I said:

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

*Having done so, I'm minded to not uphold this complaint. I understand that this is likely to be a disappointment to Mrs G, But I hope my provisional findings explain why I think this is fair and reasonable in the circumstances.*

*I have considered all the evidence and comments made by both parties, I've also carefully considered what each parties obligations were under the policy. I think the main issue of this complaint was whether Accredited, were fair to decline the claim. I can see that essentially the claim was declined for two main reasons. First that the ring was under insured and second that Mrs G had breached the specific endorsements included in the policy.*

*Mrs G initially obtained cover with Accredited in 2021, this was then renewed in 2022. In July 2023, Mrs G made a claim for the loss of her ring. I understand that Accredited instructed a valuer to assess the value of the ring. It appears that Mrs G didn't know the actual value of the ring at the time of the loss. She did, however, provide a valuation of the ring which was, at the time, dated around 11 years ago. The value of the ring then, was £3,500.*

*The valuer wrote a detailed report, outlining not only the weight and carat of the gold used, the clarity and the number of diamonds in the setting. The valuer valued the ring at £9,200.*

*Accredited said that although Mrs G had correctly specified the ring (which would have attracted a higher premium), the value of the ring was much lower than the amount that she had insured it for.*

*Mrs G said that she didn't think that the ring was the value that Accredited said it was. She said that she had spoken to a jeweller who had told her that it was impossible to value a ring from a photo. And that there was no way that a ring would have increased in value so much.*

*Our service are not experts in the field of jewellery valuations, Accredited has provided evidence from an expert, who because of the loss of the ring has only been able to value the ring from a photo. That valuation valued the ring at far higher than Mrs G insured it for.*

*I haven't been provided with any expert evidence from Mrs G that could refute what Accredited's expert has concluded, regarding the valuation and the description of the ring. Consequently, I'm persuaded that Accredited has provided enough evidence to support what the value of the ring was, around the time of its loss.*

*Further, as it was valued at £9,200, having reviewed the policy schedule, I can see that Mrs G specified the insurance of the ring for £3,500, which was the value she had proof of dated in 2012. Mrs G said that she was certain that she had the ring recently valued. But I note that the declared value of the ring was £3,500, and I can't see that she contacted Accredited to give them the up-to-date valuation, when she said she obtained it.*

*Also, Mrs G said that she couldn't remember how much the ring had been valued for, but she was certain it wasn't for £9,200. At this stage, and in the absence of any contrary evidence from Mrs G, I'm satisfied that Accredited were reasonable to decline the claim based on underinsurance. If Mrs G has evidence that can refute this, then I will consider it.*

*I've next considered the policy terms and the endorsements, and whether it was fair and reasonable for Accredited to also decline the claim on those endorsements.*

*The policy terms and conditions are the elements of the contract that both parties have agreed to. It's clear that both parties have obligations under the policy.*

*Accredited said that Mrs G hadn't complied with either the valuation endorsement or the inspection warranty. So, I've looked at both endorsements to see what the obligations for Mrs G were.*

*The valuation endorsement states:*

*'If you make a claim for any watch or item of jewellery shown on the schedule with a replacement value of £2,000 or more, you must provide a professional UK valuation from within the last three years. We will not pay your claim, or the amount of the claim may be reduced, if you do not provide the proof we ask for.'*

*Having reviewed the term, I don't think it is unclear or ambiguous. Mrs G who had specified the ring on the policy at a value of £3,500, had to have a UK valuation from within three years. The endorsement also highlights what could happen if the valuation is not provided. One of the options for not complying with the endorsement, is that Accredited could decline the claim, which is what has happened here.*

*I asked Accredited what would have happened had Mrs G known the actual value of the ring and had insured it for the £9,200. It said that the premiums would have increased. In any event, from the endorsement, I think the onus would have been on Mrs G to ensure that she knew the value of the ring. And moreover, was able to provide a recent valuation. This wasn't done, so I can't agree that Accredited was unreasonable to rely on the valuation or the endorsement, in the circumstances.*

*The other endorsement that was included in the policy related to the inspection warranty. It states:*

*'We will not pay for the loss of the following items shown on the schedule that have a replacement value of £2,000 or more: 1. watch; or 2. item of jewellery or any precious stone within that specified item of jewellery; unless the settings of the stones and the clasps of the watches and jewellery are examined by a competent jeweller once every three years and any necessary repairs carried out.'*

*From this, the endorsement means that Mrs G had to provide an inspection warranty report. This would be to ensure that the ring had been inspected by a jeweller, who could confirm that it was without any damage. That inspection had to be done once every three years. I can't see that Mrs G obtained an inspection warranty.*

*I understand that Mrs G said that she had had a jeweller carry out some repairs to the ring, as well as value the ring. But she could only provide a valuation dated in 2012 and there was no inspection warranty attached to that. Consequently, Mrs G hasn't been able to comply with this endorsement either.*

*I acknowledge Mrs G's strength of feeling about this complaint and the reason why she referred it to our service. But, in the overall circumstances of this complaint, I currently haven't seen enough evidence to show that Accredited acted unfairly. If Mrs G has further evidence that is contrary to this, I will of course consider it. But for now, I intend not to ask Accredited to do anything further here.*

Responses to my provisional decision

Accredited had nothing further to add but accepted the provisional decision.

Mrs G said:

*'This is a really disappointing and upsetting for me, I'm not asking for £9200 I'm only asking for the valuation of the ring at the time of value, it's an absolute con that i have paid the premium rate for the amount of time that I have been insured with them, but recieve absolutely nothing back. Also, if they arnt willing to pay the rate its worth in the valuation, surly they should pay me something from my house insurance, because apparently I haven't got proof is it not option for them to pay me in the items upto £2000?'*

I have carefully considered Mrs G's additional comments and I don't think they have changed my opinion, so I'll explain why.

Mrs G specified that ring under the policy, this meant that she had to pay an additional premium and comply with the additional requirements that were attached. Those requirements extended to the endorsements, but also placed an obligation on Mrs G to ensure that the ring was correctly valued.

Mrs G had no information as to what her ring was valued at the time of loss. The only evidence that she was able to produce was a valuation that was significantly older, than the policy permitted. I understand that she said she had obtained a valuation within the last three years. But she was unable to provide this and also seemingly unable to recall how much it was actually valued for.

Mrs G was given the opportunity to obtain her own expert evidence and I can't see that she has provided this either. On balance, (and in the absence of any expert evidence from Mrs G to the contrary) I'm persuaded by Accredited's expert as to the valuation of the ring.

This meant that Mrs G had undervalued the ring. Moreover, had breached both endorsements. That is, providing an up-to-date valuation and an inspection warranty report. It is because of all these reasons, that Accredited were unable to settle her claim. And because the item was specified under the policy and the claim was fairly declined, I'm unable to direct Accredited to settle the claim under any of the other policy terms.

I understand that this is a disappointment for Mrs G, but I can't reasonably agree that Accredited unfairly declined Mrs G's claim. Accordingly, I won't ask Accredited to do anything further to resolve this complaint.

### **My final decision**

For the reasons given, I don't uphold Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 16 February 2024.

Ayisha Savage  
**Ombudsman**