

The complaint

Mr D's complaint is about a claim he made on his Chubb European Group SE ('Chubb') purchase protection insurance policy for a stolen watch, which Chubb declined.

Mr D says Chubb treated him unfairly and wants them to pay his claim.

What happened

Mr D made a claim on his Chubb purchase protection insurance policy for a stolen watch. Chubb considered the claim and declined it on the basis that the watch fell into the policy exclusions because the theft was in relation to jewellery.

Chubb said the watch met the dictionary definition of jewellery given its composition, so this wasn't something they were prepared to cover. Mr D says the watch isn't an item of jewellery- it's a watch and that Chubb were wrong to turn down his claim. He also says that it wasn't clear from the policy terms that his watch wouldn't be covered by them if stolen and if he'd known that he would have sought alternative insurance for this item to protect it.

Our investigator considered Mr D's complaint. She initially said Mr D hadn't complied with the reporting requirement of the policy and so the claim wasn't covered. In addition, she acknowledged that whilst there was no specific exclusion for watches, Mr D's watch would be considered as jewellery because of the materials it was made from.

Mr D was subsequently able to evidence he did meet the policy's reporting requirements, so the investigator issued a second view recognising this but maintaining her opinion that the watch amounted to jewellery in this case and was therefore excluded by the policy. Mr D doesn't agree so the matter has been passed to me to determine.

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.

Having done so, I won't be upholding Mr D's complaint. I'll explain why.

The starting point is the policy terms. They exclude *"Theft or damage to: jewellery, precious stones..."*

In this case Chubb applied the ordinary dictionary definition to *"jewellery"* because it wasn't defined by the policy, which is *"decorative objects worn on your clothes or body that are usually made from valuable metals, such as gold and silver, and precious stones."*

The watch being claimed for by Mr D was a high-end branded watch. It's described by the manufacturer as *"an 18ct yellow gold bezel, a stainless steel bracelet with 19ct yellow gold screws, and a sapphire crystal lens"*. In the absence of any specific definition within the policy, we would usually apply the ordinary dictionary meaning as Chubb have. And in this particular case, I think the composition of the watch fits with the ordinary definition of

“jewellery”. So, I think this is an item that’s excluded from cover and that Chubb were entitled to decline Mr D’s claim.

When reaching this conclusion, I take Mr D’s point that he wouldn’t necessarily have thought his watch would have been categorised as jewellery. I’d be more persuaded by that argument, if for example he was claiming for a smartwatch or a normal watch that doesn’t feature precious metal or stones, but that’s not the case here. And as Chubb have said, in the case of smart watches or normal watches that don’t feature precious materials, they would consider them to fall within cover. The distinction is the composition of the watch. In this case Mr D’s watch is made of a valuable metal with an expensive lens.

I think that if Mr D’s watch’s primary function was as a timepiece, I’d be more inclined to say that Chubb acted unfairly in declining his claim, even if it did also have a decorative function. To my mind, a traditional watch with the primary function of telling the time is usually a more affordable straightforward item, designed primarily for practical use. It could have some decorative function, but this isn’t its primary function. In this case the watch Mr D was claiming for does seem to fit much more in line with an item of jewellery rather than an everyday watch. So, whilst I take Mr D’s submissions on board, I’m not sure a policyholder could reasonably have thought that this specific item *wouldn’t* be classed as jewellery even without a policy definition, given its value and composition. The purpose of the policy Mr D claimed on was intended to cover the theft of everyday items, rather than valuable items which is reflected by the exclusions it contains including jewellery, precious stones and other costly items. And for the reasons I’ve set out, I think the jewellery exclusion applies in this case.

I know Mr D is unhappy that jewellery isn’t defined by the policy or that the terms don’t make it explicit that his watch might not be covered. He says that if he’d known his watch wasn’t going to be covered, he would have purchased another policy to protect it. I appreciate what he says. But that’s a complaint in respect of the sale of the policy and not one that I can consider here. If Mr D wishes to raise a complaint in respect of that, he will need to direct it to the seller of the policy- who may well still be Chubb, depending on whether they sold it to him- to consider in the first instance. If he remains unhappy with the outcome of that complaint, he can raise it with the Financial Ombudsman Service.

My final decision

For the reasons set out above, I don't uphold Mr D's complaint against Chubb European Group SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 March 2024.

Lale Hussein-Venn
Ombudsman