

The complaint

Mr and Mrs F complained that Admiral Insurance (Gibraltar) Limited (“Admiral”) were unfair in how it settled their claim following a theft under their home insurance policy.

What happened

Mr and Mrs F made a claim following a theft. However, they were unhappy as they didn’t think the settlement paid by Admiral was fair.

Admiral didn’t pay out for a bangle, but this has since been resolved. Mr and Mrs F remain unhappy that the settlement for a watch has been limited at £1,000.

Admiral said the watch was added to the schedule as a specified item worth £12,000. However, Admiral said as proof of valuation wasn’t supplied, it removed the item from the specified items list (so capping any settlement at £1,000).

Mr and Mrs F are unhappy as they say they weren’t advised of the need to provide a valuation when they took out the policy.

Our investigator decided to uphold the complaint. He thought Admiral should’ve made any requirements to provide further information clearer, so he thought Admiral should pay the claim. Admiral disagreed, so the case has been referred to 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.

As the issue with the bangle is resolved and Admiral has paid £150 compensation for its error, I see no reason to consider this point any further. I’ll only consider whether I think Admiral has been fair in its settlement for the watch.

I’ve checked Mr and Mrs F’s policy schedule and it states *“it is a requirement of your policy that you must send us proof of ownership or a professional valuation for any specified items as indicated on your Home Policy Schedule. The proof of ownership or professional valuation you send us must be dated within the last 3 years and be received by us within 30 days of the start of your policy”*. It goes on to state *“If these requirements are not met, we will remove cover for the item(s) concerned”*.

When Mr and Mrs F didn’t provide a valuation, Admiral removed the watch from the specified list, which reduced the limit on the cover to £1,000. Mr and Mrs F said they weren’t told about the need to provide a valuation when they added the watch to the policy. Admiral can’t evidence whether this was asked for as it doesn’t have a recording of the conversation due to an IT error.

When the claim was made, Mr and Mrs F at Admiral’s request provided Admiral with proof of ownership, by providing the description, a photo of the watch and the guarantee (along with the box). As Mr and Mrs F were readily able to provide this for the claim, I think if they were

aware of the need to provide this earlier they would've done. There is no reason for them not to.

Therefore, I'm not convinced that when taking out the policy Mr and Mrs F were advised of this need as there isn't a call recording for me to check this. I appreciate the policy schedule does include this need. However, I think if it was such a key requirement for Admiral to cover the watch then it should've made this clearer on the call when the watch was added to the policy.

As there is no doubt from the evidence provided and from the validation by Admiral's specialist that Mr and Mrs F owned the watch, I think the fairest outcome is for Admiral to honour the full value of the claim as if it was a specified item. The likelihood is that if Mr and Mrs F were aware of the need to provide information upfront, they would've done.

Admiral should settle the claim for the watch as a specified item in line with the remaining terms and conditions (less any amounts already paid). As Mr and Mrs F have been without this money, I require Admiral to add 8% simple interest per annum from the date of the claim to the date the claim is settled in full. I think the sentimental loss of this watch has added to the frustration Mr and Mrs F would've experienced, so I think Admiral should pay £100 compensation.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to:

- Settle the claim for the watch as a specified item and in line with the remaining terms and conditions i.e. £10,000 per the maximum liability under the policy (less any amounts already paid), plus 8% simple interest* per annum from the date of the claim to the date the claim is settled in full.
- Pay £100 compensation – for distress and inconvenience.

*HM Revenue and Customs requires Admiral Insurance (Gibraltar) Limited to take off tax from this interest. Admiral must give a certificate showing how much tax it's taken off if Mr and Mrs F asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 5 March 2024.

Pete Averill
Ombudsman