

The complaint

Mr B complains U K Insurance Limited trading as Churchill Home Insurance ("Churchill") won't reissue a gift card.

What happened

Mr B had a home insurance policy with Churchill. He made a claim. Churchill accepted the claim and issued two gift cards to Mr B in settlement. One of the gift cards was for a department store and had a value of about £575. Mr B used the gift card to make a small purchase and when he went to spend the remainder, he found the money had been spent.

Mr B contacted the department store, but it wouldn't help. He reported the matter to Action Fraud, but it isn't taking things forward. So, Mr B asked Churchill to reissue the gift card. Churchill declined his request because, broadly, it didn't think it was responsible for what happened after the gift card had been issued.

Mr B asked our Service for an independent review. The Investigator, while sympathetic to Mr B's circumstances, thought it was fair for Churchill to decline his request for a replacement gift card. This was because she was satisfied by issuing the gift card Churchill's responsibility had ended, much like when an insurer makes a cash settlement.

Mr B asked for the complaint to be considered further. He said he had been passed from pillar to post and that someone should take responsibility. In his view as Churchill issued the gift card, Churchill should sort things out with the department store. As an agreement couldn't be reached the complaint has been passed to me to decide.

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 have a great deal of sympathy for Mr B. It seems clear he has been the victim of fraud and has therefore lost out on a substantial amount of money. However, I don't find Churchill has acted unfairly. Churchill issued the gift card to Mr B to settle the insurance claim. The gift card became Mr B's property. What happened next isn't Churchill's responsibility.

Mr B has some suspicions that Churchill (or its third-party gift card supplier) may have cloned the gift card, or otherwise interfered with it. I have been provided with no evidence that this is the case, and the timing of the gift card's issuance, use by Mr B and use by the third party doesn't - in my view - support these suspicions either.

Mr B would like Churchill to sort things out with the department store. While I can understand why he wants this, as set out above, Churchill wasn't responsible for the gift card once it had been issued. Nor is Churchill, as the gift card issuer, responsible for acting on his behalf in a civil dispute with the department store.

Churchill recognised Mr B had to call it several times over this matter and it took a long time to investigate. It paid Mr B £75 compensation by way of apology. I find that fair and reasonable in the circumstances. It follows I don't find Churchill need to anything more to resolve this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 March 2024.

James Langford
Ombudsman