

The complaint

Mr S is unhappy with how Royal & Sun Alliance Insurance Limited, trading as RSA, settled his contents insurance claim after his property was burgled.

Mr S has been assisted with his complaint by a representative. All references to Mr S include his representative.

RSA appointed agents when dealing with Mr S's claim. RSA accepts responsibility for these agents. So, any references to RSA include its agents too.

What happened

Mr S held a building and contents insurance policy, underwritten by RSA.

Unfortunately, in October 2022 Mr S's garage was broken into and his fishing equipment was stolen. So he submitted a claim to RSA.

RSA reviewed the claim and treated Mr S's fishing equipment as 'sports equipment', which it said came under the 'personal items' section of his policy. It said this section carried a limit of £1,241, which was less than the value of the stolen items. RSA said the equipment didn't fall under the contents section of the policy, which carried a higher limit. So, it offered to settle the claim up to the personal items limit.

Unhappy with this, Mr S complained to RSA. He said he couldn't understand why fishing equipment was classed as personal items and not as contents, because it was stolen from his home. He also said his garage isn't an outbuilding as it's connected to his house.

RSA looked into Mr S's complaint but didn't change its stance. It thought it had correctly classed the fishing equipment as sports equipment, which falls under the personal items section of cover, not contents. It also said it had used the correct limit of £1,241.

Mr S didn't think this was fair, so he referred his complaint to the Financial Ombudsman.

Our investigator looked into things and didn't think the complaint should be upheld. He thought that RSA had interpreted the policy terms correctly and had applied the correct limit to the claim.

Mr S didn't agree. He said his policy provides up to £2,000 of cover for theft or attempted theft from a garage so he doesn't think RSA should've applied the £1,241 limit.

Because Mr S doesn't agree, his 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.

Having done so, I won't be upholding Mr S's complaint. I recognise that this complaint is important to Mr S, so I know my outcome will be disappointing for him. But I'd like to reassure the parties that I've considered all the information and evidence provided to me when coming to my decision – and I've explained why I've reached this decision below.

The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether RSA acted in line with this when it settled Mr S's claim.

RSA classed Mr S's fishing gear as 'sports equipment'. I should first explain that I don't think this classification was unreasonable. Mr S's policy didn't define sports equipment, but I've taken it to mean any goods, tools, materials, apparel or gear used to engage in a sport. And I think it's fair to class fishing as a sport. So, I've gone on to consider whether it was fair of RSA to settle the claim under the personal items section of cover.

I've reviewed the terms of Mr S's policy carefully. I found that the policy makes it clear in two places that sports equipment falls under the personal items section of cover. First, sports equipment is shown as being covered within the personal items section of cover in the index of items found on page eight. Second, on page 35, the policy lists the things that are covered in the personal items section – and sports equipment is included there. So, I think the policy made it clear that sports equipment was considered a personal item.

I recognise that Mr S wanted RSA to accept the claim under the contents section of cover, which carried a higher limit. Page 25 of the policy lists what was covered under the contents section. It said:

“Contents are household goods, high risk items (which are clocks, paintings, works of art, stamp and coin collections), clothing in the home, visitors contents in the home, personal documents, title deeds, office equipment, office furniture and office stationery all owned by your family or your family's responsibility under contract.”

It went on to say that:

“Household goods does not include items covered in the ... Personal Items ... Options.”

And just below this, the policy gave further context of what items would be considered household goods. It said:

“What are household goods? – the things you keep in the home – that you use to furnish the home and which normally stay at home...”

I've kept in mind that fishing equipment wouldn't normally stay at home as it would need to be taken away from the home to be used.

Finally, the next page said:

“Please remember that Contents does not include items included in the Personal items Option... sports and camping equipment”

So, I think the policy made it clear that contents and personal items were separate. And because I think it was reasonable for RSA to treat Mr S's fishing equipment as sports equipment, and as this fell under the personal items section of the policy, I think it was reasonable for RSA to apply the personal items limit. I've seen a copy of Mr S's policy

schedule which shows the limits of each section of cover. I'm satisfied that the personal items limit was £1,241.

Mr S has said that his policy provided cover for up to £2,000 for theft from a garage. I can see that under the 'what is not included' part of the personal items cover, Mr S's policy says:

"Any amount exceeding £2,000 for each claim for theft or attempted theft from any detached outbuilding, garage, shed or greenhouse."

But, directly above this, it says:

"Any amount exceeding the Personal Items sum(s) insured shown on the schedule and limits shown on page 10-11."

I should explain that while Mr S's policy provided cover for *up to* £2,000 for personal items stolen from a garage, this would still be subject to the overall personal items limit that was set when the policy was taken out, which according to Mr S's schedule was £1,241. Because Mr S's limit for this section of cover was lower than £2,000, I think it was fair for RSA to apply his limit when settling the claim. And I think this was provided for in Mr S's policy terms.

While I recognise that Mr S will be disappointed, I think it was fair for RSA to deal with the claim under the personal items section of cover and apply the personal items limit. Mr S's representative has confirmed that RSA has paid the settlement amount. So I don't require RSA to do anything further.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

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

Chris Woolaway
Ombudsman