

The complaint

Mr G and Mrs G have complained that Accredited Insurance (Europe) Ltd ('Accredited') unfairly declined a claim under a home insurance policy.

What happened

Mr G and Mrs G made a claim when Mrs G left a ring in a security tray at an airport. Accredited declined the claim because it said Mr G and Mrs G hadn't complied with the policy endorsements for jewellery worth more than £2,000.

Mr G and Mrs G complained, including because they weren't clear why Accredited wouldn't pay a reduced pay-out. When Accredited replied, it maintained its decision to decline the claim.

When Mr G and Mrs G complained to this service, our investigator upheld the complaint. She said Accredited hadn't shown why not complying with the endorsement had prejudiced the claim or why it couldn't make a reduced payment. She said Accredited had also been able to obtain its own valuation for the ring. She said Accredited should settle the claim with the ring valued at £4,500 and pay £150 compensation.

As Accredited didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So, I've thought about the complaint in this context.

It doesn't seem to be in dispute that Mrs G's ring was lost at the airport. However, when Accredited responded to the complaint, it pointed to two endorsements related to jewellery worth more than £2,000. The first was that it wouldn't pay a claim *"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"*.

The second was a valuation requirement and said:

"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."

The ring was insured for £4,500. Mr G and Mrs G were only able to provide a valuation from 2015. So, Accredited declined the claim in full, as they said Mr G and Mrs G hadn't complied with the endorsements. When Mr G and Mrs G asked why it wouldn't pay a reduced settlement, Accredited didn't provide a reason and just said it wouldn't settle the claim.

Accredited has now told this service that the endorsements made no material difference to the loss. Mr G and Mrs G had simply breached them. I also note that the first endorsement about examining the jewellery for necessary repairs isn't relevant to the claim. Mrs G removed the ring and then didn't pick it up again. There was nothing to suggest the condition of the ring was a relevant factor. For the second endorsement, in my view, because of the way this is worded Mr G and Mrs G could have obtained a valuation after the ring was lost and still complied with it, as it needed to be "*within the last three years*". Accredited was also able to value the ring, as its jewellery service did so after the loss.

I'm aware Accredited provided a decision from another ombudsman, which it said was relevant. Each decision is made on the individual circumstances of a complaint and while I've read that decision, it doesn't affect my view about Mr G and Mrs G's complaint. I note Accredited mainly seemed to think that decision was relevant because it has now told this service the ring was underinsured. This isn't something it raised during the claim or complaint. Accredited had the opportunity to fully assess the claim, including its own valuation of the ring, and to explain to Mr G and Mrs G what it was relying on to decline the claim. So, based on everything I've seen, I think it needs to settle the claim.

As a result, I think Accredited needs to settle the claim using the ring's value as listed on the policy schedule of £4,500. I also think Mr G and Mrs G were caused distress and inconvenience by their claim being declined. So, I think Accredited should pay them £150 to recognise the impact on them.

Putting things right

Accredited should settle the claim using the value of the ring as listed on the policy schedule and pay £150 compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Accredited Insurance (Europe) Ltd to:

- Settle the claim using the value of the ring as listed on the policy schedule of £4,500.
- Pay £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 4 April 2024.

Louise O'Sullivan
Ombudsman