

The complaint

Mr G and Mrs H complain about the service provided by Admiral Insurance (Gibraltar) Limited (“Admiral”) following a claim for a missing diamond made on their home insurance policy.

Admiral are the underwriters of this policy. Part of the complaint concerns the actions of an agent. As Admiral accept it is accountable for the actions of its agents, any reference to Admiral in my decision includes the agent.

Although the policy is in the name of Mr G, I will refer to Mrs H throughout my decision since she is the one who brought the complaint.

What happened

In October 2023 the diamond in Mrs H’s wedding ring fell out while she was on holiday. When she realised the diamond was missing she notified Admiral.

While Mrs H was waiting to hear from Admiral she took the ring to a local jeweller who quoted £11,000 to source and replace the diamond to one as close as possible to the one that was lost. Mrs H also contacted the original creator of the ring who agreed the local jeweller’s quote was reasonable.

In November Admiral asked Mrs H to send her ring in for inspection. After the inspection Mrs H was offered options that she says were not equivalent to her loss and far less valuable. So she complained. Admiral agreed Mrs H hadn’t been provided with a proper explanation of the settlement offer and asked its jeweller to contact her. The jeweller emailed Mrs H with all the same options previously offered.

Mrs H says the ring was valued and submitted for insurance for much more than her repair estimate. And the ring was insured if it was lost or stolen – she says the policy also allows Mrs H to work with Admiral’s preferred jeweller or get a cash settlement to use their preferred jeweller.

Mrs H wants Admiral to honour her policy and pay her the amount quoted by her own jeweller so she can repair her ring.

Admiral accept no explanation was given to Mrs H when it provided the options available to her. Admiral confirmed the diamond being offered to Mrs H is an equivalent to the one she lost and would be GIA certified – so it would be independently graded and certified. Admiral paid Mrs H £25 to apologise for the lack of communication regarding her options following her claim. But it didn’t accept the stone being offered was of less value to the one she had previously.

Mrs H wasn’t happy so she referred her complaint to this service. One of our investigators looked into things for her. He said the diamond and repair offered would indemnify Mrs H for her loss and therefore he didn’t think Admiral needed to do anything further in respect of the complaint.

Mrs H didn't agree. She said the terms of the policy stipulate she could have a cash settlement rather than Admiral's jeweller undertaking the repair. And she didn't think £25.00 reflected the distress and inconvenience caused by the handling of her claim.

Because Mrs H didn't agree the complaint has come 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.

Firstly, I'm genuinely sorry that Mrs H has suffered this loss. I can't imagine how upsetting it would have been for Mrs H to find the diamond was missing from her ring.

I'd like to reassure Mrs H that I've considered all the information provided, as well as her comments. My role here is to look at whether Admiral's handling of the claim was fair and in line with the terms of the policy. I have read the policy terms to understand the cover provided.

There is no dispute the diamond from Mrs H's ring is missing. Admiral accepted the claim.

Admiral's offer to settle the claim was to replace the diamond with one of at least the same size and quality as the one missing and set it into the ring. I can't see this was explained to Mrs H in the same detail as has been provided to this service.

The policy says, "*How we will settle your claim.*"

"We will decide to either:

- *Repair the item*
- *Restore the item*
- *Pay the cost of repairing the item*
- *Replace the item as new, or*
- *Pay in cash or vouchers up to the amount **we** could repair, restore, or replace the item for."*

Admiral have provided some photographs of the stone together with other details about the colour, size, and clarity of the replacement diamond to demonstrate the offer made to Mrs H. It's not my role to express an opinion on the condition of the ring, rather to take account of the expert opinion provided when coming to my decision.

Based on the evidence I've seen I'm satisfied Admiral has offered Mrs H a reasonably matched replacement and can indemnify her. This means it can settle the claim fairly, without Mrs H losing out, and I think this is what it should do under the terms of the policy.

But Mrs H wants a cash settlement since she wants to use her own local jeweller to carry out the repair. So, Admiral must pay cash to settle the claim. But Admiral is only required to pay Mrs H the cost it would pay – which might be less than the cost to Mrs H. If that's not enough for Mrs H to get a replacement I think that's fair. Because Admiral gave Mrs H the chance to be indemnified by replacement, but Mrs H doesn't want this. And I think it would be unfair to Admiral to be forced to pay the cost to Mrs H when it's already done what is required under the policy.

And from what I've seen Admiral's offer was fair and would put Mrs H back in the position she would have been in before the stone went missing.

Therefore I don't find it unreasonable that Admiral won't pay the costs of Mrs H's jeweller. I can understand why Mrs H thinks using Admiral's repairer isn't a viable option, but it is, nevertheless, in line with the policy.

Admiral paid Mrs H £25 by way of an apology for the communication regarding the settlement options provided to her, and I think that's fair in the circumstances of the complaint.

Based on the options provided by Admiral, and the policy terms and conditions, I think it has acted fairly with the claim settlement it has offered. It has fulfilled its obligation under the policy and has offered an option to get the claim settled. I'm therefore not asking Admiral to do anything further.

I note Mrs H has commented about dealing with Admiral's jeweller and I was sorry to read this. And while I have no reason to doubt Mrs H's account, I've been unable to evidence any of it, as it was with a third-party. I have however looked at the file notes, and the other correspondence provided. I know this is an emotive claim, but I've not seen anything to suggest Admiral has provided a poor service. So it would be unfair for me to ask Admiral to do anything further in this regard.

My final decision

For the reasons given above, I don't think Admiral Insurance (Gibraltar) Limited needs to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs H to accept or reject my decision before 30 September 2024.

Kiran Clair
Ombudsman