

The complaint

Mr and Mrs B complain that Hiscox Insurance Company Limited turned down their home insurance claim.

What happened

Mr and Mrs B hold home insurance cover with Hiscox which includes personal possessions cover. They made a claim for the loss of a Rolex watch, however Hiscox turned down the claim. It said the watch hadn't been stolen from their home, and also hadn't been temporarily removed from the home, as required under the policy terms for a claim to be paid.

Mr and Mrs B complained to Hiscox about its claims decision. Hiscox didn't alter its decision, though it did recognise that Mr and Mrs B had asked for an update on the claim several times and hadn't received a response. It paid them £150 compensation for this. Unhappy with Hiscox's decision to turn down the claim, Mr and Mrs B brought a complaint to this service.

Our investigator didn't recommend the complaint be upheld. She thought Hiscox's decision to turn down the claim had been reasonable and in line with the policy terms.

Mr and Mrs B didn't accept our investigator's findings, and so the matter has been passed to me for a decision.

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.

The policy covers the following:

'Personal possessions

If your schedule includes cover for your personal possessions, we will cover them against physical loss or physical damage which happens during the period of insurance whilst at your home and whilst temporarily removed from your home for no longer than 60 consecutive days anywhere in the world.'

Mrs B decided to sell her watch. She contacted a company that claimed to provide a private buying service for jewellery and other items, and asked them for a valuation of her watch. Someone from that company got in touch (who I'll call Mr C), and Mrs B was given a valuation which she was happy with. After commission and another deduction, it was agreed that Mrs B would be paid £12,400. Mrs B gave Mr C the watch on a consignment basis so he could sell it for her. She later received £7,400 from Mr C, but he didn't pay her the £5,000 remaining balance she was expecting.

Mrs B has provided a crime reference number, and I understand a police investigation is ongoing (she isn't the only victim that this has happened to). Mrs B says that her watch was stolen by Mr C, and therefore it should be covered by the policy.

Despite my sympathy for Mrs B and what happened, I don't think it can reasonably be said that there was a physical loss of the watch. I say that because Mrs B willingly gave the watch to Mr C and received payment for this. I appreciate she didn't receive the agreed price for it, though I understand that Mr C had valued the watch for a higher amount than other companies had, and so it seems the agreed price was more than the watch was actually worth in any case.

Though even if I thought there had been a physical loss of the watch, which I don't, this also didn't happen from Mrs B's home. And I don't think the watch can reasonably be considered to have been temporarily removed from the home for no longer than 60 days either, because Mrs B intended for the watch to be sold and not returned to her.

Mrs B says that the arrangement was for Mr C to return the watch to her if it couldn't be sold in six weeks. However, this isn't supported by the information I've seen. I've checked the receipt Mrs B was given by Mr C and the messages sent between them. Mrs B asked Mr C what would happen if he couldn't sell the watch, but he didn't answer. The first mention of the watch potentially being returned to Mrs B (because Mr C didn't have a buyer) appears to have taken place over five months after Mrs B gave Mr C the watch, and therefore outside the 60-day timeframe. If Mrs B had been expecting the return of the watch after six weeks of it being unsold, I would have expected her to have raised this with Mr C after six weeks had passed, but I can't see that this happened.

Based on everything I've said above, I don't think the particular circumstances here amount to there being a physical loss of the watch from the home or while it was temporarily removed from the home. I'm therefore satisfied that Hiscox has fairly turned down the claim in line with the policy terms.

Hiscox has provided a timeline of its handling of the claim, and has recognised that Mr and Mrs B had to chase it for updates several times. It has paid Mr and Mrs B £150 compensation for this, and I find that this amount was reasonable in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 25 October 2024.

Chantelle Hurn-Ryan
Ombudsman