

The complaint

Mr S complains that AXA XL Insurance Company UK Limited rejected a claim on his jewellery insurance policy.

What happened

Mr S bought a valuable watch and took out insurance with cover for loss or damage. He was travelling on a train and had with him a bag containing the watch and other items. When he got up quickly to leave the train, he left the bag behind.

When Mr S claimed on the policy, AXA said an exclusion applied which meant the claim wasn't covered. Mr S complained but AXA didn't change its decision.

Our investigator considered Mr S' complaint but didn't think it should be upheld. He said the exclusion applied and this meant as Mr S wasn't wearing the watch, he was only covered if the watch was under his close personal custody or locked in a safe, which wasn't the case.

Mr S has requested an ombudsman's decision. He says the watch was in his bag, which was in his possession, and leaving the bag on the train by mistake is the definition of loss. And he says the relevant policy term is too broad and is open to interpretation.

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 Mr S for the loss of or damage to his watch. But as with all insurance, there are conditions and exclusions that apply. The relevant term says

We will not pay for:

4. any loss or damage away from your home of an item insured unless such item is:

- a) is being worn by you, or*
- b) being carried under your close personal custody and control, or*
- c) in a locked safe*

Mr S says this is unclear and open to interpretation but I think it's clear that Mr S is only covered if he is wearing his watch, carrying it under his close control, or it's locked in a safe.

Essentially, it means the risk AXA has decided to cover is where someone has the item with them or it's in a locked safe, not where it's left unattended.

Mr S wasn't wearing his watch and it wasn't in a locked safe. So he was only covered if he was carrying the watch and had it under his control.

When he realised he was at his stop, Mr S got off the train and left his bag behind. That meant he wasn't carrying the watch under close personal custody and control, so he wasn't

covered. He has said it was in a bag because the area he was travelling through has a reputation for crime. I think that highlights the need to keep it under close control and not leave it unattended.

I appreciate it's very upsetting for Mr S to find he wasn't covered but the decision not to cover the claim is in line with the policy terms and in these circumstances I think it was fair.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 October 2024.

Peter Whiteley
Ombudsman