

The complaint

Mr and Mrs I have complained about AXA Insurance UK Plc's decision to refuse settlement of their claim under their home insurance policy.

Any reference to AXA includes its agents.

What happened

Mrs I lost a ring that she'd been given around 1990. She made a claim for it under her and Mr I's policy. AXA asked her to provide proof of ownership and she provided some photographs of her wearing the ring. AXA suggested the value of the ring was £2,250. Mrs I thought it was worth more than this. AXA said she should send better quality photographs. She did this and AXA established the retail replacement cost of the ring was £11,025. In view of this AXA asked Mrs I to provide some further proof of ownership. And because she couldn't provide this AXA refused settlement of Mr and Mrs I's claim.

Mrs I complained to AXA, but it wouldn't alter its position. Although, it did pay £100 in compensation for not being clear on the fact it might refuse settlement even if Mrs I did send better quality photographs. So Mr and Mrs I asked us to consider their complaint.

One of our investigators did this. She said that Mrs I had done enough to prove ownership and AXA's rejection of the claim was unreasonable. She said AXA should settle the claim. She also said the compensation AXA had paid for any distress and inconvenience Mrs I had experienced due to poor communication was enough.

AXA doesn't accept the investigator's findings and has asked for an ombudsman's decision. It thinks its approach is reasonable bearing in mind the high value of Mrs I's ring and because it expects customers to provide more evidence of ownership of higher value items.

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've decided to uphold it for the same reasons as our investigator.

Under insurance industry rules and guidance, AXA needed to handle Mr and Mrs I's claim promptly and fairly. From what I've seen, I don't think it did this, as I'll explain.

The terms of Mr and Mrs I's policy say the following:

'To help prove your claim we may require you to provide original purchase receipts, invoices, bank or credit card statements, instruction booklets, photographs, utility bills, pre-purchase surveys or plans of deeds of your property.'

This is the term AXA is seeking to rely on to refuse settlement of Mr and Mrs I's claim, despite the fact that Mrs I has provided one of the items listed to help prove her claim. And I think it was unfair and unreasonable for AXA to refuse settlement of Mr and Mrs I's claim

altogether when Mrs I had explained that she'd owned her ring for a long time and had provided what I consider to be reasonable proof of ownership, i.e. a photograph of her wearing it. If AXA wasn't willing to pay claims for items of more than a certain value without actual documentary proof of ownership, then it needed to make this part of its policy terms and draw attention to it when the policy was sold. And I've not seen any evidence it did this. And even if it did have such a term in its policy, AXA would still need to give careful consideration to the reason Mrs I couldn't provide the evidence it wanted and whether it would be reasonable to rely on the term.

I agree AXA could have been clearer with Mrs I on what it might do if she provided the clearer photographs, but I'm satisfied the compensation it's paid to reflect this is fair.

Putting things right

For the reasons set out above, I think the fair and reasonable outcome to Mr and Mrs I's complaint is for AXA to settle their claim in accordance with the claims settlement terms in the policy, based on the full retail replacement cost of Mrs I's ring according to the latest report provided, which says its retail value would be £11,025. AXA can of course deduct any applicable excess. If AXA settles the claim by a cash payment it will need to add interest at 8% per annum simple from one month after Mrs I said she wanted to claim for her ring to the date of payment to compensate her and Mr I for being without these funds*.

*AXA must tell Mr and Mrs I if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr and Mrs I if asked to do so. This will allow Mr and Mrs I to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mrs I and Mr I's complaint about AXA Insurance UK Plc and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I and Mr I to accept or reject my decision before 17 December 2024.

Robert Short
Ombudsman