

The complaint

Ms N complains that Accredited Insurance (Europe) Limited have declined her claim for loss of the stone from her engagement ring.

What happened

Ms N holds a buildings and contents insurance policy with Accredited, under which she had her diamond engagement ring specifically insured for £6000.

On 5 November 2023 she was on holiday, but when she got in the car to drive home, she noticed that the stone was missing from her engagement ring. Ms N says that photographs from the previous day showed it was still in the ring and so she knew it must have been lost in that 24 hour period.

When she returned home, Ms N made a claim for the missing stone. Accredited declined the claim and said that the ring hadn't been inspected during the last 3 years in line with the inspection warranty endorsement on the policy schedule.

Ms N complained about this, but Accredited didn't change their decision.

One of our investigators looked into Ms N's complaint and she thought that Accredited had acted fairly. Ms N disagreed with our investigators view, and so the case has come to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I have to decide whether Accredited have applied the terms of the policy and acted fairly and reasonably in declining the claim.

The decision to decline the claim

Ms N's claim was declined as Accredited said that Ms N hadn't complied with the inspection warranty endorsement. They said if the item had been checked and repaired as required by the endorsement, the loss would have been avoided.

The endorsement referred to is included on page 5 of the schedule for the policy year 2022 – 2023. It says:

Jewellery items and watches worth more than £2000 – Inspection warranty

We will not pay for the loss of the following items shown on the schedule that have a replacement value of £2000 or more:

- 1. Watch; or*
- 2. Item of jewellery or any precious stone within that specified item of jewellery*

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”

Although this endorsement is on the schedule, Ms N says she wasn't aware of it, and I don't think it is fair for Accredited to rely on it here, and I'll explain why.

Ms N has provided us with the policy wording for the policy year 2022 – 2023. In the policy wording, under the definitions section it says:

“Endorsement

A specific term, condition, or variation to the policy

Endorsements change the normal terms and conditions of your policy, reducing or extending your cover and possibly changing the excess you have to pay. If endorsements apply to your policy, we will tell you about them beforehand, and include the details in your schedule.

Please check your schedule to see if any endorsements apply to you.”

So the policy wording makes it clear that the endorsement has to be specifically pointed out to the consumer before the policy is purchased.

I have asked Accredited to provide me with the cover letters, or phone calls in which Mrs N was told about the endorsement before purchase. However, they haven't provided them for the relevant policy year 2022 - 2023.

Accredited have sent me the schedules on which the endorsement appears for all the policy years since the policy was inception in 2019, but as I haven't seen any evidence that the endorsement was ever drawn to Ms N's attention either in 2019 or at any of the renewals since, I can't say it is fair to exclude cover on that basis, and I'm proposing the following resolution.

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.

Ms N has accepted my provisional decision. Accredited have said that they think all the information was provided to Ms N, and they have now sent in all of the renewal letters, policy cover letters and schedules for the policy from 2018, and the call recordings from the time of the policy inception in 2018. I have listened to all of these calls and considered all the correspondence provided. However, whilst I can see the endorsement in the schedules, I haven't come across any letter or call in which it is drawn to Ms N's attention that there are endorsements on her policy relating to her specified items, which she has taken out special cover for. And so I'm still satisfied that as there is no evidence that the endorsement was ever brought to Ms N's attention, it wouldn't be fair to exclude cover in this situation and I'm making my final decision in line with my provisional findings above.

Putting things right

To put things right Accredited should:

Reconsider Ms N's claim in line with the remaining terms and conditions of the policy up to the specified jewellery limit of £6000

My final decision

My decision is that I'm upholding Ms N's complaint and directing Accredited Insurance (Europe) Limited to put things right as outlined above

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 24 December 2024.

Joanne Ward
Ombudsman