

The complaint

Mr P complains about a payment offered to him by Liverpool Victoria Insurance Company Limited ('LV') after he made a contents insurance claim for a damaged watch, and the watch was lost in transit.

Any reference to LV includes the actions of its agents.

What happened

Mr P holds contents insurance cover with LV. He made a claim for accidental damage to a watch. He sent the watch to LV, but LV only received an empty box.

Mr P couldn't provide LV with proof of purchase for it to reimburse him for the watch. LV concluded the watch was counterfeit, and offered Mr P £50 for the watch. Unhappy with this, Mr P brought a complaint to this Service.

Our investigator didn't recommend the complaint be upheld. She thought that, as the evidence suggested the watch was counterfeit, LV's offer was reasonable.

Mr P 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.

Mr P says that when LV's courier collected the watch, they put it in a box and sealed it. However, LV only received an empty box. Although it isn't known what happened to the watch, LV thought the courier may have lost it in transit. It therefore decided to offer Mr P a cash settlement for the value of the watch. I think that was reasonable.

LV therefore asked Mr P to provide proof of purchase. Mr P provided photos of the damaged watch and the box, but said he couldn't provide proof of purchase, as he'd bought the watch from a social media selling site and had paid cash for it.

LV's expert examined photos of the watch, and concluded it was counterfeit. This was supported by a check of the IMEI number and serial number on the manufacturer's database which showed there had been a significant number of searches against those identifiers across multiple countries. LV's expert therefore concluded that Mr P had purchased a counterfeit watch with a set of genuine identifiers that had been used for hundreds of fake watches.

Mr P hasn't been able to provide any evidence that the watch was genuine. I note he carried out his own checks on the IMEI number and serial number which led him to believe the watch was genuine before he purchased it. But as noted above, these were identifiers that were cloned from a genuine watch.

On balance, I think LV has shown that the watch was most likely counterfeit.

As I've said, LV had decided to offer Mr P the value of the watch. It established that a counterfeit watch was worth £50, so that was the amount it offered Mr P.

Mr P argues that if LV's courier hadn't lost the watch, then he would have been fully compensated by the social media selling site. But he can't now make a claim with them, as there's no watch. So he thinks LV should pay him a cash settlement equivalent to the value of a genuine watch.

I've looked at Mr P's screenshots of messages with the person who he says sold him the watch. These show the parties were having some negotiations about the price of a watch. But they don't show that any agreement was reached for Mr P to buy that particular watch, or the price he paid. Mr P hasn't provided anything from the social media selling site to suggest that it would be willing to accept the screenshots as evidence that Mr P had bought the watch through their site, or that he could receive a refund if the watch was counterfeit. So I don't think Mr P has shown that he would have been able to get back the money he paid for the watch if it hadn't been lost.

Overall, I'm satisfied that LV's offer was fair. The watch was worth £50 (regardless of how much Mr P paid for it). If the watch hadn't been lost and LV had accepted the claim and paid a cash settlement for it, Mr P would have only been entitled to £50 (though this would have been less than the £350 excess so he actually wouldn't have received any payment).

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 P to accept or reject my decision before 27 December 2023.

Chantelle Hurn-Ryan
Ombudsman