

## **The complaint**

Mr and Mrs F complain about the service provided by HCC International Insurance Company Plc trading as Tokio Marine ("HCC") following a claim for a missing diamond, under their home insurance policy.

HCC are the underwriters of this policy. Part of the complaint concerns the actions of the agent. As HCC has accepted it is accountable for the actions of its agents, any reference to HCC in my decision includes the action of its agents.

Although the policy is in joint names Mr F has brought the complaint so, for ease, I'll refer to him throughout this decision.

## **What happened**

Mrs F lost the diamond from her engagement ring. The loss was reported to the insurer who accepted the claim on 27 July 2022. HCC asked for an estimate for a replacement on a like for like basis.

Mr F says he provided the replacement quotation from a local jeweller to HCC, who then passed it on to their own jeweller. Mr F says the jeweller harassed him by phone relentlessly. Mr F took advice from a number of reputable jewellers and says following this he told HCC he didn't want to use their jeweller to replace the stone in his wife's ring. Mr F says HCC passed this message onto their jeweller who continued to contact him, despite him saying he didn't wish to be contacted.

Mr F says he made it clear he didn't want their jeweller to replace the stone so HCC offered a cash settlement in lieu of repairs. Mr F says the cash settlement is substantially below the costs of a reputable jeweller and is based on a quote from HCC's jeweller, which further confirms his lack of confidence in the insurer's jeweller.

Mr F tried to negotiate with HCC to increase the value of the cash settlement. Mr F has confirmed he does not wish to accept the cash settlement as it's too low, and he doesn't want HCC's jeweller to work on the ring. He asked HCC to provide him with quotes from reputable jewellers so he can choose who will carry out the work. But HCC has refused to do this.

Mrs F has been without her engagement ring for in excess of six months. The cash settlement from the insurers is insufficient to replace the diamond and repair the ring. The ring was purchased from a high-end jeweller and so he wants the work done by a jeweller with sufficient quality and experience to make it a like for like replacement.

Mr F wants a cash settlement sufficient to allow him to have the diamond replaced and ring repaired based on the average of three reputable jewellers of quality comparable to the original supplier.

HCC said it didn't agree the replacement diamond offered was inadequate in quality. It said the replacement diamond would exceed the quality of the lost diamond; with a higher colour scale than the lost one. HCC said the settlement proposal is fair and reasonable, as is the

cash settlement which has been offered in line with the terms of the policy. And so the complaint wasn't upheld.

Mr F referred his complaint to this service. One of our investigators looked into things for him. He said he thought HCC acted reasonably and in line with the terms and conditions. Mr F didn't agree. So the complaint has come to me to decide.

### **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.

Firstly I'm genuinely sorry that Mr and Mrs F suffered this loss. I can't imagine how upsetting it would have been for Mrs F to find the diamond was missing from her ring.

I'd like to reassure Mr F that I've considered all the information he has provided as well as his comments. My role here is to look at whether HCC's handling of the claim was fair and in line with the terms of the policy. I have read the policy terms to understand the cover provided.

There is no dispute the diamond from Mrs F's ring is missing. HCC accepted the claim.

HCC's offer to settle the claim was to replace the diamond with one of at least the same size and quality and set it into the ring. Since Mr F was unhappy with the overall settlement offer, HCC also offered a cash settlement. HCC have been provided with a market value of £13,785 for the ring.

The policy says, *"We will provide cover to pay the costs of restoring, repairing, or replacing the contents you have chosen to insure up to the sum insured for each section shown in the schedule against physical loss or damage...subject to the conditions, exclusions and limitations contained within this policy wording."*

I have checked what the policy says in respect of how it deals with claims. It says;

*"Following insured loss or damage we will at our option decide whether to restore, repair or replace any items which are covered under the contents section."*

Based on the evidence I've seen I'm satisfied HCC has offered Mr F a reasonably matched replacement and can indemnify him. This means it can settle the claim fairly, without Mr F losing out, and I think this is what it should do under the policy.

But Mr F has insisted on a cash settlement since he doesn't want to use HCC's supplier. So, HCC must pay cash to settle the claim. But HCC is only required to pay Mr F the cost it would pay – which might be less than the cost to Mr F. If that's not enough for Mr F to get a replacement I think that's fair. Because HCC gave Mr F the chance to be indemnified by replacement, but Mr F didn't take it. And I think it would be unfair for HCC to be forced to pay the cost to Mr F when it's already done what's required under the policy.

And from what I've seen HCC's offer was fair and would put Mr F back in the position he would have been in before the stone went missing.

Therefore I don't find it unreasonable that HCC offered Mr F a cash settlement as an alternative repair and I think the offer is fair. I can understand why Mr F thinks the cash

settlement isn't a viable option, but it is nevertheless, in line with the terms of the policy. I'm satisfied that HCC's offer was fair and reasonable in the circumstances.

Based on the options provided by HCC, and the policy terms and conditions, I think it's acted fairly with the claim settlement its offered. It has fulfilled its obligation under the policy and has offered various options to get the claim settled. I'm therefore not asking HCC to do anything further.

I note Mr F has commented about the calls from HCC's third-party contractor where he felt the contractor was harassing him and making a number of calls. I was really sorry to read this. And while I have no reasons to doubt Mr F's account, I've been unable to listen to any of the calls, as it was with a third party. I have however looked at the file notes, and the other correspondence provided. I know this is an emotive claim, but I've not seen anything to suggest HCC has provided a poor service. So it wouldn't be fair for me to ask HCC to do anything in this regard.

### **My final decision**

For the reasons given above, 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 F and Mrs F to accept or reject my decision before 29 December 2023.

Kiran Clair  
**Ombudsman**