

The complaint

Mr and Mrs V complain Accredited Insurance (Europe) Ltd (AIE) has unfairly declined a claim under their contents insurance policy.

Because Mrs V has been leading on this complaint, I've referred to her throughout my decision. Any reference to AIE includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- In 2014, whilst abroad, Mrs V purchased a diamond ring and watch. The receipt shows the total price of the items, but not the individual retail prices. The total price was approximately £2,500.
- In July 2018, Mrs V took out her contents insurance policy – which is underwritten by AIE. When taking out the policy, Mrs V answered “no” to the question *“Do you have any valuables or personal items worth over £2,000 each (excluding bicycles)?”*
- In December 2022, Mrs V realised her ring was missing, and having not been able to find it, made a claim on her policy in February 2023.
- AIE declined the claim saying the ring was worth more than £2,000, and as it wasn't listed as a specified item, it wasn't covered under the policy.
- Unhappy with AIE's decision, Mrs V brought a complaint to this Service. She explained she'd paid £1,350 for the ring, and so believed its value to be less than £2,000.
- An Investigator considered it and upheld and said AIE should cover the claim. But AIE disagreed and so, the complaint was passed to me for an Ombudsman's decision. I've included an extract below.

“What I've provisionally 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 starting point is the policy document which says under “optional cover for your contents - personal possessions away from your property”:*

“You will need to specify any personal belongings, gadgets or valuables that are individually worth £2,001 or more. If you have not specified these items, they will not be insured.”

- *“Valuables” is defined as “Articles made from or containing gold, silver and other precious metals or stones, jewellery [...]”. So, I’m satisfied Mrs V’s ring is to be considered a valuable.*
- *AIE has declined Mrs V’s claim on the basis the ring should have been specified as it was worth £3,500 – and therefore, over the policy limit for unspecified items away from the home. I’ve looked at the valuation and there’s nothing to indicate this isn’t a fair valuation. In the absence of persuasive evidence to the contrary, I’m satisfied it was reasonable for AIE to rely on this.*
- *Turning to whether AIE’s decision to decline the claim was fair - I’ve first considered whether it was reasonable for AIE to consider the claim under the ‘personal possessions away from the property’ section.*
- *Mrs V acknowledges herself that she doesn’t know if the ring was lost in or outside of her home. But she has said that upon realising her ring was missing, she waited a couple of months to see if it appeared at home, but it didn’t. Whilst it’s possible the ring is in her home, given she acknowledges it could have also been lost away from the home – along with the fact it hasn’t been found - persuades me that it was more than likely lost away from the home. And so, I consider it reasonable for AIE to consider the claim under this section of the policy.*
- *I next need to consider whether Mrs V ought to have known her ring was worth more than £2,001 and should have therefore, specified it – as required by this section’s policy terms.*
- *Mrs V says she didn’t realise her ring was worth more than £2,000 because she’d paid £1,350 for it. That might be Mrs V’s truly held belief, but I must keep in mind that there is a responsibility on the policy holder to provide accurate information so the insurer can fairly assess whether it wants to provide cover. This is an ongoing responsibility, and so, obtaining accurate valuations for possessions when taking out and renewing the policy is part of doing so.*
- *The question asked at the time of taking out the policy was whether Mrs V had any valuables worth over £2,000, not whether she’d paid more than £2,000 for them. So, whilst I appreciate Mrs V might have had what she’d paid for her ring in mind, I’m satisfied it was brought to her attention that she needed to consider the ring’s “worth” – which is different.*
- *As I’m satisfied the ring had a value of more than £2,001, it ought to have been specified to be covered whilst away from the home. As it wasn’t specified, I consider AIE to have applied the policy terms fairly when declining Mrs V’s claim.*
- *Ms V replied. In summary, she said:*
 - *If insurers give consumers the responsibility of deciding an item’s value, then the insurer should insure it for that value.*
 - *She believed her ring had a worth less than £2,000.*
 - *She believes her ring was lost in recycling at home.*
- *AIE didn’t reply.*

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.

I've considered what Mrs V has said, but it doesn't change my mind. Ultimately, the onus was on Mrs V to provide accurate information when renewing her policy – and so, whilst Mrs V might not have realised having her ring valued was important and could determine whether a claim was accepted or not, that doesn't absolve her of this responsibility or mean AIE's decision is unfair.

Mrs V has emphasised that she believes her ring was lost in the recycling at home and was taken to the tip, but I can't ignore that within her original email to the business she says: *"I lost my ring and to be totally honest, this could have been at home or away, there is every possibility that this was dropped into packaging that was destined for the tip."*

Mrs V went on to explain she'd last seen the ring in the pocket of a handbag which was hanging up and that it possibly fell into the recycling below. But she's not provided sufficient detail to persuade me that this it was most likely lost in this way. And so, I remain of the view that AIE's decision to decline the claim was fair.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs V to accept or reject my decision before 8 December 2023.

Nicola Beakhust
Ombudsman