

The complaint

Mr C and Ms G complain about HDI Global Specialty SE's ("HDI") decision to decline their claim under their home insurance policy.

What happened

Ms G lost her watch while out shopping with Mr C. They made a claim under their policy, but this was declined by HDI on the basis they hadn't provided a receipt. Mr C and Ms G felt this was unfair as the watch was a gift to Ms G, so she didn't have a receipt. Ms G says she does have other evidence which HDI haven't asked to see. Mr C and Ms G complained and HDI responded and explained the policy terms and conditions explain HDI will require proof of ownership for items over £2,500. HDI explained, without any proof of ownership, they're unable to pay out for the claim.

Our investigator looked into things for Mr C and Ms G. He thought HDI hadn't acted unfairly in declining the claim on the basis Mr C and Ms G hadn't provided proof of ownership of the watch. Mr C and Ms G disagreed so the matter has come 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.

Having done so, I've decided not to uphold the complaint. I understand Mr C and Ms G will be disappointed by this but I'll explain why I have made this decision.

My starting point is Mr C and Ms G's home insurance policy booklet. This sets out the terms and conditions and describes the process for making a claim for personal possessions. Under a heading 'Will I need to provide you with receipts or any proof of ownership?' it says, *"We will require proof of ownership and value predating the loss or damage for items over £2,500. If you are unable to provide this information we may choose to reduce your claim payment or refuse to pay your claim."*

It's not unusual or uncommon for insurers to ask for proof of ownership of a personal possession from a customer once a claim has been made for that item. So, given this is a normal part of the claim process, I can't say HDI are being unreasonable in asking for proof of ownership of Ms G's watch. The policy schedule shows the watch Ms G is making a claim for is listed as a specified personal possession and is valued at £4,250. So, taking this into account, and given that the watch is worth more than £2,500, I can't say HDI are acting unfairly in applying this term to the claim.

While I don't think it's unreasonable for HDI to ask for proof of ownership, the dispute here relates to whether sufficient information has been provided. Ms G has provided information to HDI, and she says she has further information which they haven't asked to see. HDI say they're not satisfied Ms G has provided sufficient evidence to prove ownership. So, I've looked to see whether that's fair in the circumstances of this complaint.

I acknowledge the watch is listed on the policy schedule as a specified item, but I don't believe this, in itself, proves ownership. Insurers will generally ask customers to specify any high value items to enable them to apply their underwriting criteria and determine the risk those items might present. So, while I acknowledge Ms G says the watch was insured from the day it was bought, this doesn't prove ownership of the watch.

HDI say examples of the proof of ownership they require would be a receipt or bank transaction. Ms G explains the watch was bought for her as a gift, so she doesn't have a receipt. She says she visited a retailer with her mother who paid for the watch, but she's unable to obtain any evidence of the transaction as she's no longer in contact with her mother. Although a receipt is generally the best form of proof of ownership evidence, it's good industry practice to accept alternative forms of evidence as proof of ownership – particularly in cases where the item which is subject of the claim was a gift. But, this would of course be subject to an insurer not having any other concerns about the claim.

Ms G says she has the warranty certificate, paper of authenticity, the original box and photos of her wearing the watch – which she feels are adequate in proving ownership. I can see HDI instructed an agent, who I'll refer to as company C, to validate the claim. Company C interviewed Ms G and also prepared a witness statement. One of the points mentioned in the witness statement says *"I have provided a photo of the warranty certificate and the watch itself. These photos were taken on the day I purchased them, for insurance purposes."* I've seen the photos, and these do show a warranty certificate and a close-up photo of the watch – which matches the description on the warranty certificate and the specified item on the policy schedule.

I can see company C then wrote to Ms G declining the claim. In relation to the photos, they said, these photos don't show she owned the watch. They also say, given Ms G told them these photos were taken for insurance purposes, they don't understand why she didn't also take a photo of the receipt at the same time. Company C also raise concerns about Ms G's account of phone calls she claimed to have made to various stores after she discovered her watch was missing. Company C set out enquiries they've made and how this raises questions about Ms G's account. It's on this basis they, and HDI, say they require evidence of a receipt or bank transaction. I acknowledge Mr C and Ms G say they have other information and I also understand their reason for not being able to provide a receipt. But given the concerns raised by company C, at the point HDI considered the claim, I can't say HDI acted unfairly in asking for further information beyond what they'd received – and what Ms G says she can provide – to prove ownership.

I know my decision will be disappointing for Mr C and Ms G, but while I accept they have provided information to HDI which they believe is sufficient, given the information I've seen, I can't say HDI are acting unreasonably in asking for further information as proof of ownership. I can see Ms G has recently obtained further information from the retailer where the watch was bought. I think it's important to make clear my role isn't to determine the claim, but to look at whether HDI have acted fairly and reasonably in assessing the claim. I've looked at the assessment of the claim and decision taken by HDI up to the point they addressed the complaint. And, as mentioned above, I can't say they've acted unfairly based on the information they had at the time. Ms G explains the further information – which she says proves the purchase of the watch and its cost – has been sent to HDI. The further information will need to be considered by HDI so I can't comment on this information. I wish to reassure Mr C and Ms G I've read and considered everything they've sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms G to accept or reject my decision before 17 August 2023.

Paviter Dhaddy
Ombudsman