

## **The complaint**

Mr And Mrs K complain about how AXA Insurance UK Plc settled their claim on their home insurance policy.

## **What happened**

Mr and Mrs K had a home insurance policy with AXA. In September 2021 their home was burgled and they made a claim. AXA accepted the claim and paid out for some of the stolen items. However it declined some items as it said Mr and Mrs K hadn't provided enough substantiation for these. In particular it declined:

- Some bedding and items of furniture that Mr and Mrs K disposed of before it had a chance to inspect.
- An expensive branded watch, as they couldn't provide a receipt or serial number.
- A number of items of jewellery as proof of purchase couldn't be provided.
- Mr and Mrs K reported to the police that £200 cash had been stolen but claimed more than this as part of the claim, so AXA declined this part of the claim.
- Mr and Mrs K had claimed for a Bluetooth device and work laptop but were unhappy with the replacement offered.

Mr and Mrs K were unhappy with this and made a complaint. AXA maintained its position so they brought their complaint to this service.

Our investigator thought AXA had acted fairly by not paying for the items that had been disposed off and the branded watch. She also thought the replacement offered for the Bluetooth device was fair and that AXA should only pay the £200 cash reported to the police. However she thought it was reasonable that Mr and Mrs K didn't have proof of purchase for all their items of jewellery and thought AXA should settle these items based on photos and the valuations provided by its agent. She also thought that some work equipment Mr K used for his job as a mechanic should be covered under the 'business equipment' cover.

AXA didn't agree with our investigator's outcome. It said the claim for the jewellery hadn't been substantiated as Mr and Mrs K couldn't provide enough information about the items to determine what they were made of, in order to accurately value them. It also said that the business equipment cover was intended only for clerical equipment. And as the items being claimed for were used only in relation to vehicles, this wouldn't fall under this category. AXA asked for the complaint to be reviewed by an ombudsman.

## **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.

As there are a number of items in dispute, I will address those left outstanding in turn.

### **Items that were disposed of**

The burglary happened during the Covid-19 pandemic. And Mr and Mrs K have explained that they were worried about potential contamination of some of the items that the burglars may have come into contact with. Due to this they disposed of items straight away to avoid these issues.

While I understand why they may have felt this was necessary at that time, I don't think it's reasonable to ask AXA to cover these items. Firstly, there isn't any evidence that they were lost or damaged as a result of the incident. So Mr and Mrs K haven't shown that they are covered under the policy. And additionally, AXA hasn't had the opportunity to inspect the items in order to determine this. So I think AXA has acted fairly by not covering the items Mr and Mrs K disposed of.

### **Branded watch**

Mr and Mrs K have said that an expensive branded watch was stolen as part of the burglary. However they've not been able to provide any proof of ownership of the watch. The brand of watch they are claiming for comes with a serial number and can be traced back through the company in order to prove authenticity. Mr and Mrs K have said the thieves stole the box and receipt for the item at the same time, so they're unable to provide these. And while I don't dispute this, I don't think it would be fair to ask AXA to pay this part of the claim without this.

The brand of watch is one that is often replicated, and without any proof of the serial number or a receipt, it isn't possible to know if it was a real branded item or a replica. And the difference in value is significant.

For this reason I think AXA has made a fair decision to decline this part of the claim due to the fact it can't be substantiated.

### **Other jewellery items**

Mr and Mrs K have claimed for a number of other jewellery items that they haven't been able to provide receipts for. While I agree that AXA has to be able to validate items as part of a claim, it isn't unreasonable that Mr and Mrs K have some items that were given to them as presents and they don't have any proof of value. It's also reasonable that they may not know exactly what the items are made of.

While Mr and Mrs K haven't been able to provide receipts for the items, they have provided photos of them before the theft. And from these and the descriptions given AXA's agent has been able to estimate a value.

AXA has accepted there has been an insured peril – a theft – and it has accepted a number of items as part of it. And as Mr and Mrs K have been able to provide some proof of ownership of the items, by providing photos, I think it's reasonable that AXA pays their claim for these items based on its agent's valuations. This should only be where Mr and Mrs K are able to provide a clear photo of the item.

### **Cash**

Mr and Mrs K originally reported that £200 cash was stolen from their home. However this amount has changed as the claim went on.

I understand it can be difficult to identify straight away what has been taken after a burglary, and this may only become apparent after a bit of time. However as stolen cash is difficult to substantiate, I think it reasonable that AXA base their settlement on the amount that was initially reported to the police. I therefore think it's reasonable for it to settle this part of the claim at £200.

### **Bluetooth device and work laptop**

Mr and Mrs K have claimed for a Bluetooth device and a work laptop but are unhappy with the replacement value offered. Under the policy, AXA is required to replace items with a similar alternative, but wouldn't be obliged to pay for improved models or items with additional features. If Mr and Mrs K can provide evidence to show that the replacements or value offered aren't equivalent to those that were stolen, then they should provide this to AXA to consider. But based on the evidence, I think AXA has settled these items fairly.

### **Mechanic equipment**

Mr K has claimed for two items of equipment that he uses for his work as a mechanic. These are handheld computers that are used to test vehicles.

AXA has said that these items wouldn't be covered under the policy. The policy covers for business equipment which is defined as follows:

*'Equipment used solely for business use for example computers, tablets, e-readers, mobile phones, monitors, printers, word processing equipment and computer aided design equipment, photocopiers, telecommunication equipment and office furniture. This does not include any property held as trade stock'*

AXA has said that this description refers only to clerical equipment, so items used solely for testing vehicles wouldn't fall into this definition.

I've considered this and I don't agree this is a fair application of the policy terms. The main definition of 'business equipment' is: *'Equipment used solely for business use'*. Everything that follows is just an example of this – rather than an exhaustive list of what's included.

Mr K uses the items claimed for, solely for his work as a mechanic. So I think this meets the initial definition of business use. And, while it isn't listed explicitly, the devices are similar to a computer or a tablet – as they are handheld electronic devices.

AXA has said that the items don't meet the traditional definition of a computer, that a reasonable person would consider that word to mean. And I agree. However I consider the devices to be close enough to the examples given to mean they would be fairly covered under business equipment. And as the definition provides only examples, rather than a list of only the items covered, I think it's fair for it to be considered under this cover.

I understand it was AXA's intention only to cover clerical equipment, however I need to consider what the terms of the policy say and what a reasonable interpretation of these is. Rather than what it intended to cover. And I don't think the term is clear that only clerical equipment would be covered.

I've also considered the exclusions to this cover. AXA has said that the items would be excluded due to the following listed exclusions:

*'Property mainly used for business, trade, profession or employment purposes other than business equipment.'*

And

*'Parts, spares and accessories (including keys and key fobs) for any of the items described in the boxes above and left.'*

*(the box to the left includes: Electrically or mechanically propelled or assisted vehicles)*

The first one only applies to items 'other than business equipment'. As I've explained, I consider the items to reasonably meet the definition of business equipment so don't agree this exclusion would fairly apply.

The second exclusion relates to 'parts and accessories' of a motor vehicle. However the item in question is used to test vehicles. It isn't something that is bought alongside a vehicle or that is linked to one specific vehicle. Instead it's used for work on a range of different vehicles to provide a diagnosis. Therefore I don't agree it could be reasonably described as a part or accessory.

For these reasons, I think the items Mr K used for his business as a mechanic would reasonably be covered by the policy. I therefore think AXA should pay Mr K's claim for these items based on the invoices provided.

### **My final decision**

For the reasons I've given, I uphold Mr and Mrs K's complaint in part. I direct AXA Insurance UK Plc to:

- Pay Mr and Mrs K's claim for jewellery items that they can substantiate with a clear photo, based on the valuation provided by its agent.
- Pay Mr and Mrs K's claim for £200 cash, if it hasn't done so already.
- Pay Mr and Mrs K's claim for the items of equipment Mr K uses for his work as a mechanic, based on the invoices provided.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 18 October 2023.

Sophie Goodyear  
**Ombudsman**