

The complaint

Mr B complains about the settlement he was offered after he made a claim under his home insurance policy with Highway Insurance Company Limited. He's also raised concerns about the customer service he received.

Highway is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Highway has accepted it is accountable for the actions of the agents, in my decision, any reference to Highway includes the actions of the agents.

What happened

In late 2022, Mr B made a claim under his home insurance policy with Highway after some items went missing while in the care of a removal company. Mr B says three items of jewellery went missing, including his wife's engagement ring. There was also some damage to some other items.

Mr B was unhappy with the settlement he was offered for the jewellery. Mr B said the engagement ring was a specified item on his policy. However, it wasn't showing as a specified item on Highway's records, so it contacted the broker who had sold the policy to Mr B to gather some more information.

In response to Mr B's complaint, Highway said the ring wasn't listed under the specified items in the policy of 2022/2023, although it had been specified on the previous year's policy. It said the brokers had sent Highway a transcript of the call in which Mr B had discussed the renewal of his policy. A price had been given to him without specified items and he was happy with this.

Highway said the broker was comfortable Mr B understood and knew the ring wasn't specified and policy documents were sent to him to confirm this. The limit for the ring was £1,500.

Highway apologised for not responding to Mr B's emails which it said were sent to the wrong department. It said it had asked for the valuation of the necklace to be reviewed.

Our investigator thought Highway's settlement offer for the engagement ring was fair. She wasn't persuaded that Highway's initial valuation of the other items was unreasonable, based on the information it had at the time. And she thought it was reasonable for Highway to offer to review these valuations in response to Mr B's complaint. Our investigator thought Highway was responsible for some delay and communication issues. She recommended Highway pay Mr B £150 to compensate him for distress and inconvenience he'd experienced as a result.

Mr B disagreed with our investigator's outcome. He also commented that it wasn't clear why his complaint was set up against Highway when he didn't believe he had a contractual arrangement with it. So, the complaint has been passed 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

Mr B has queried why his complaint has been set up against Highway when he doesn't believe he has a contractual relationship with it.

I appreciate Mr B has been dealing with other parties in relation to his claim and complaint. However, the Financial Conduct Authority says the underwriter of a policy is responsible for claims, even where the decision has been taken by an administrator or loss adjuster working on its behalf. This is so even when the administrator or loss adjuster is a regulated firm in its own right.

Mr B's policy schedule shows that the policy is underwritten by "*Highway Insurance Company Limited*". So, I'm satisfied that Highway is the correct business to respond to Mr B's complaint about the handling and settlement of his claim.

As our investigator has previously explained, if Mr B has concerns about the sale of his policy, the correct respondent business for this would be the broker who sold it to him. Mr B would firstly need to raise a separate complaint against the broker if he wanted our service to consider this.

In this decision, I will only be considering matters Mr B has complained of that Highway is responsible for up to the date it sent its final response to his complaint in February 2023.

Settlement offer for engagement ring

The policy's terms and conditions say that to settle a claim Highway will pay for "*loss or damage to your personal property up to the sum insured shown under the personal possessions section on your Schedule of Insurance. The maximum amount your insurer will pay for one item, pair or set is £1,500.*"

The terms go on to say Highway will pay for "*loss or damage to specified personal property up to the amount shown for each item on your Schedule of Insurance.*"

"*Personal Property*" is defined as: "*Clothing, personal belongings and high risk property that you normally wear or carry with you...*"

The definition of "*High Risk Property*" includes "*Articles of jewellery, pearls, gemstones, gold, silver and precious metal.*"

Mr B's policy schedule for the period the claim falls under (January 2022 to January 2023) states the limits of cover as follows:

" <i>High risk property total</i>	£9,250
" <i>High risk property single item limit</i>	£1,500

<i>Personal Possessions</i>	
<i>Personal property sum insured</i>	£2,500

Singe item limit

£1,500"

No specified personal property is showing on the schedule.

I can see Mr B provided a valuation certificate for the engagement ring which stated it was worth £3,550. However, Highway says the item was capped at £1,500. Given what it says on the schedule, I think this was correct.

Mr B's schedule for the previous policy year (January 2021 to January 2022) is showing a "*Personal property sum insured*" limit of cover of £5,000. The engagement ring is listed under "*Specified Personal Property*" with a sum insured of £3,000.

After Mr B raised concerns about the settlement he was offered for the ring, Highway contacted the broker who sold the policy to him in order to establish if it might have been removed from Mr B's policy due to an administrative error at renewal. The broker provided Highway with a summary of Mr B's conversation with its representative at renewal.

According to this summary, there was a discussion about the engagement ring and a wedding ring. The representative told Mr B that in order to claim, he would need to provide an independent valuation dated in the last three years. The representative said the engagement ring would need to be itemised, but it depended whether the wedding ring was under or over £1,500. The representative said there was no point putting the rings on the policy if they weren't covered. They agreed on £2,500 cover for the unspecified items and Mr B was given a price without specified items which he was happy with. The representative said the rings could be added on when Mr B got a valuation.

It would seem from the above, that the change to the policy at renewal was intentional, rather than being as a result of an administrative error. In any event, I think it's clear from the policy documents that the highest amount Mr B could claim for a single item was £1,500. So, I'm satisfied that Highway's settlement offer for the engagement ring is fair and in line with the policy's terms and conditions.

Other jewellery items

Mr B also raised concerns with the settlement he was offered for other jewellery items he was claiming for.

Highway says that its initial offer was based on a valuation its jewellery experts had made from a description of them. In its response to Mr B's complaint, Highway said it was arranging for the valuation to be reviewed. I understand Highway has since increased the amount offered for both the necklace and earrings. I think this was reasonable.

Mr B has raised concerns about Highway's communication of this offer to him in July 2023. He's also unhappy that the settlement offer was for vouchers and would like the full amount to be settled by cash. However, as our investigator has explained, these concerns are beyond the scope of this complaint. So, I haven't considered them here.

Customer service

Highway says some of the delay in dealing with Mr B's claim was because it was chasing for information from the broker. However, it has acknowledged being responsible for some delay outside of this and has agreed to pay the £150 our investigator recommended for distress and inconvenience.

I understand Mr B experienced some difficulty contacting Highway. He was kept on hold for long periods of time and some calls were disconnected. This was no doubt frustrating for him. However, I think £150 reasonably recognises any distress and inconvenience Mr B experienced as a result of poor communication and delays Highway is responsible for, up to February 2023. So, I haven't found reason to increase it above the amount our investigator recommended.

Putting things right

Highway should pay Mr B £150 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr B's complaint and direct Highway Insurance Company Limited to put things right by doing as I've said above.

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

Anne Muscroft
Ombudsman