

The complaint

Mr F complains that Aviva Insurance Limited rejected a claim on his musical instrument insurance policy.

Where I refer to Aviva, this includes its agents and claims handlers acting on its behalf.

What happened

Mr F is a member of an orchestra and holds the position of treasurer for the orchestra. He's explained that one of his duties is to ensure that the equipment owned by the orchestra is covered by Insurance. He took out an insurance policy for music equipment, which is underwritten by Aviva.

After one of the orchestra members sadly died, Mr F became aware that one of the pieces of equipment which had been kept by that member was missing so he made a claim on the policy, but Aviva rejected the claim.

Aviva initially relied on a specific exclusion in the policy but later said this type of claim simply wasn't covered.

When Mr F referred the complaint to this Service our investigator didn't think it should be upheld. He said the policy only covers items owned by Mr F and he didn't own this item – the orchestra did. He also said that even if the item would otherwise be covered, there was an exclusion that applied to the claim.

Mr F has requested an ombudsman's 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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim. Information about the insurance needs to be clear, fair and not misleading.

The policy provides cover for "*Music Equipment owned by You that has been stolen, lost, or sustained accidental damage....*"

"You" is defined as "*The insured person/persons or group named on the Insurance Schedule...*"

The person name on the Schedule is Mr F. So he's the policyholder and any reference in the policy terms to "You" means Mr F. This means the policy covers music equipment that belongs to Mr F; it doesn't cover items that belong to someone else.

The receipt for the equipment is made out to the name of the orchestra, and Mr F has confirmed in correspondence that “*The equipment is owned by [the orchestra] not me personally.*”

The policy doesn’t cover equipment that doesn’t belong to Mr F so this claim is not covered.

Even if the policy did cover this item, there’s an exclusion for “*Theft, loss or damage to Music Equipment whilst hired out or loaned by You to any other person unless You are in attendance...*”

Since the item had been left in the care of the other orchestra member I think this exclusion would likely apply. But in any event, I don’t think the item was covered in the first place, for the reasons given above.

I appreciate this is very disappointing for Mr F. He says he took out the policy on behalf of the orchestra and expected it to cover the claim. No insurance policy covers every eventuality that may arise; there will always be terms and conditions that limit what’s covered and Mr F had the policy documents, which say what’s covered.

I’ve considered his comments about the policy wording but I’ve set out the relevant terms and I think they are clear. He says Aviva never stipulated any requirements, for example for safe storage. The definitions in the policy include a definition for the policyholder’s home. And the “What is not covered” section explains that claims won’t be covered unless the relevant arrangements for storage (either at home or away from the home) are met. But in any event, the policy simply doesn’t cover items that don’t belong to Mr F.

Taking all of this into account I’m satisfied Aviva’s decision is in line with the policy terms and is fair.

My final decision

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 to accept or reject my decision before 24 November 2023.

Peter Whiteley
Ombudsman