

## **The complaint**

Mr R and Mrs R have complained about how Gresham Insurance Company Limited (Gresham) settled a claim under a home insurance policy.

## **What happened**

Mr R and Mrs R made a claim for a lost ring. By the point they made the claim, Mr R and Mrs R had already arranged for the ring to be replaced. They were unhappy with the offer Gresham made to settle the claim, so they complained.

When Gresham replied to the complaint, it said its settlement offer was fair in the circumstances. However, it offered £50 as a goodwill gesture, as it said the call handler could have set expectations better when the claim was reported.

So, Mr R and Mrs R complained to this service. Our investigator didn't uphold the complaint. She said what Gresham had offered was fair in the circumstances based on the policy terms and conditions.

As Mr R and Mrs R didn't agree, the complaint was referred to me.

## **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 don't uphold the complaint. I will explain why.

The policy terms and conditions said Gresham would choose how to settle a claim. This is common in insurance policies. Gresham has said it would have replaced the ring, but Mr R and Mrs R had already arranged for it to be replaced by the time they contacted Gresham. So, Gresham offered a cash settlement or an e-voucher for the value of the ring. Mr R and Mrs R didn't think the amounts offered were fair. So, I've thought about this.

Mr R and Mrs R were unable to provide a receipt or similar evidence of how much the ring cost or its specific details. They were able to provide a photo, but this provided only a limited view of the ring, so I think it was difficult to get an exact specification based on the photo. Gresham's jewellery service provided a valuation for the ring based on the available information, which I think was reasonable.

I've also thought about the valuation itself. From what I've seen, this seemed to be based on a ring that was as close as possible to the one Mr R and Mrs R lost based on Gresham's assessment. Gresham offered £795 as an e-voucher or a cash settlement of £245.20, once the excess was deducted. The policy said that where it could replace an item but it agreed to offer a cash settlement, Gresham would only pay what it would have cost it to replace the item. Again, this is common in insurance policies. The cash settlement was for less than the voucher and considerably less than the cost of the replacement ring Mr R and Mrs R had arranged. Insurers can often obtain rates that are less than those available to the public, so I

don't think the much lower amount for the cash settlement was unusual. Insurers can also often offer more in settlement to policyholders as a voucher than in cash because of agreements they have in place. Based on what I've seen, I'm also satisfied Gresham didn't need to settle the claim at the amount Mr R and Mrs R agreed to pay for the ring.

I'm aware Mr R and Mrs R think Gresham could have provided better advice when they registered the claim. They have said that they wouldn't have proceeded with the ring they had arranged if they had been better advised. However, during the call, Gresham didn't commit to paying for the ring at the cost to Mr R and Mrs R and it was made clear that the ring would need to be assessed. Gresham later offered £50 as a gesture of goodwill to address any loss of expectation, which I think was fair.

Mr R and Mrs R have said the voucher can only be used at two shops local to them and neither stock a comparable ring. I'm mindful that Mr R and Mrs R had already arranged to replace the ring through a different retailer. I've also looked at the online store for both retailers and one of them sells rings that appear to be comparable to the one that was lost and for an amount that the voucher would cover. I don't know what stock was available when Mr R and Mrs R visited the store, but I don't think it was unreasonable for Gresham to offer a voucher for the amount that it did and for it assess this was a fair settlement for the ring.

So, having thought about all of the above, I don't uphold this complaint or require Gresham to do anything further in relation to it.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 24 August 2023.

Louise O'Sullivan  
**Ombudsman**