

The complaint

Mr and Mrs C are unhappy a claim made under their contents insurance policy has been declined by Royal & Sun Alliance Insurance Limited (RSA).

Where I've referred to RSA, this also includes any actions and communication by agents acting on their behalf.

What happened

Mr and Mrs C had a contents insurance policy underwritten by RSA. Mr and Mrs C's shed was broken into causing damage, and a number of items were stolen, so they made a claim to RSA.

RSA declined Mr and Mrs C's claim. They said the shed itself wouldn't be classed as contents, and Mr and Mrs C only had contents cover, so it wouldn't be covered. RSA also declined the contents claim on the basis Mr and Mrs C said they didn't have receipts for the stolen items.

As Mr and Mrs C were unhappy with the claim decision, they approached the Financial Ombudsman Service.

One of our investigators looked into things but she didn't uphold the complaint. She said that the shed wouldn't be covered under the contents policy, and RSA weren't unreasonable in asking for documents to substantiate the claim for the stolen contents.

Mr and Mrs C didn't agree and asked for a final decision from an ombudsman.

I was minded to reach a partly different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've provisionally reached a slightly different outcome to our investigator. So, I'm issuing a provisional decision, to give both parties an opportunity to comment on my initial findings before I reach my final decision.

Mr and Mrs C provided a quote, at RSA's request, for a replacement shed. However, RSA then declined this part of Mr and Mrs C's claim on the basis they had contents only cover. I've looked at the terms and conditions of Mr and Mrs C's policy and I don't think the shed would fall under the contents cover and instead would be part of

the buildings. Therefore, I don't think RSA acted unfairly by declining this part of the claim.

RSA also declined the contents part of the claim on the basis Mr and Mrs C didn't have receipts, photos, or bank statements showing purchase of the items that were stolen from within the shed. However, I'm not entirely in agreement RSA's approach here was fair. I'll explain why.

Firstly, it doesn't look like RSA actually asked for a list of the stolen items before reaching that claim decision, despite Mr and Mrs C making them aware that they'd given a list to the Police. Instead, it looks like it was declined from the outset by RSA. I don't think that was a reasonable approach to take.

Mr and Mrs C have said that they'd collected the tools that were stolen over a 25-year period, and this is why they didn't have receipts or bank statements to show purchase. And they also don't have photos from inside their shed. I think that is understandable.

Whilst receipts, bank statements, or photos would be preferable in order to substantiate the items being claimed for, sometimes, as is the case here, a policyholder may reasonably not have these. In circumstance such as this, and in Mr and Mrs C's claim, I think RSA needs to assess each of the individual items being claimed for, in order to consider whether receipts, images or bank statements are strictly necessary in order to accept or decline each item being claimed for.

What I mean by this is depending on the items being claimed for, it may be reasonable to consider on balance, in the absence of documentary evidence such as a receipt, whether they likely would have been owned by Mr and Mrs C and in the shed at the time of loss. For example, if there were screwdrivers being claimed for, then it might be reasonable to assume this is the type of item Mr and Mrs C would reasonably have owned, and to have been kept in a shed. And this type of item would be low value. By contrast, if a large amount of expensive items were being claimed for, then to ask for further evidence and decline the claim in the absence of this probably wouldn't be unreasonable.

But like I say, it doesn't appear that RSA got as far as even considering what items were being claimed for, and instead declined the claim from the outset. And I don't think that was fair and I think RSA could, and should, have done more here.

So, unless anything changes as a result of the responses to my provisional decision, I'm minded to direct RSA to reach a decision on each of the items actually being claimed for individually, subject to Mr and Mrs C providing a list of these to RSA.

To be clear here, I'm not asking RSA to do this before responding to my provisional decision, instead I'm asking RSA (and Mr and Mrs C) to confirm if they are in agreement with this as a next step. And if my final decision remains the same, then RSA and Mr and Mrs C will then need to liaise with each other in order to do this.

If after RSA has done this, Mr and Mrs C are unhappy with whatever decision is ultimately reached for each item being claimed for, they'd need to raise this as a separate new complaint before referring back to this service if they remained unhappy, in line with our usual rules and timescales.

In addition to this, I don't think the approach RSA took in rejecting the contents claim outright without individually considering the items being claimed for was fair and

reasonable, and this caused Mr and Mrs C distress and inconvenience. So, unless anything changes as a result of the responses to my provisional decision, I'm also minded to direct RSA to pay Mr and Mrs C £100 compensation."

So, I was minded to uphold the complaint in part and to direct RSA to:

- Reach a claim decision on each of the items actually being claimed for individually, subject to Mr and Mrs C providing a list of these to RSA
- Pay Mr and Mrs C £100 compensation

The responses to my provisional decision

Mr and Mrs C responded and said they agreed with the provisional decision.

RSA didn't provide a response to the provisional 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.

And I've thought carefully about the provisional decision I reached. As neither party has provided anything that would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint in part and direct Royal & Sun Alliance Insurance Limited to:

- Reach a claim decision on each of the items actually being claimed for individually, subject to Mr and Mrs C providing a list of these to RSA
- Pay Mr and Mrs C £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 27 May 2024.

Callum Milne
Ombudsman