

The complaint

Mr S complains that the amounts Lloyds Bank General Insurance Limited trading as Halifax paid to settle a claim on his home contents insurance policy were less than the items' true value.

What happened

Mr S made claims for the loss of contents in October and December 2019. The claims related to the following items:

- a china cup and saucer
- some china figurines
- a watch
- a bulldog ring.

The claims were settled but Mr S was unhappy with the amounts Lloyds paid and complained about this. Lloyds provided its response in March 2020. It also said its jeweller would return a gold chain and tag to Mr S.

Mr S made a further complaint in October 2022, again saying he was unhappy with the settlement. He also said the gold chain and tag hadn't been returned to him as agreed.

Lloyds issued another final response letter in November 2022. Lloyds said it couldn't comment on the watch or the ring as these had been dealt with in 2020. But it did comment on the other items and made further payments as follows:

- a payment of £200 for the cup and plate, to bring the amount up to Mr S' valuation, together with interest;
- agreed that a gold chain and tag hadn't been returned to Mr S and said it would get a valuation of these as at 2020 and current prices and pay the higher of the two sums; and
- agreed to reassess the valuation of the figurines and if this was increased, consider adding interest.

Lloyds also accepted there had been some poor service and paid compensation of £250 for the distress caused by this.

When Mr S referred this complaint to our service, Lloyds said it was out of our jurisdiction and objected to us considering it.

I issued a decision explaining that we could consider the complaint about the cup and plate; the gold chain and tag; and the figurines; but not the complaint about the gold watch and the ring.

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.

In this decision I'm only considering the way Lloyds has dealt with the cup and plate; the gold chain and tag; and the figurines. The policy provided cover for the loss of the items and the issue is not whether the claim should have been covered, as that's not in dispute. What I need to decide is whether the settlement Lloyds offered is fair.

The policy terms say Lloyds will:

- either repair or replace any item or make a money payment instead;
- pay the cost of replacement as new if available or otherwise the nearest equivalent less any discounts available.

If an item can't be replaced, the terms say payment will be based on expert opinion of its value immediately before it was lost or damaged.

Where something has gone wrong, the aim is to try as far as possible to put the complainant back in the position they would have been in but for the error and, where they have suffered any loss or harm, to compensate them for that.

Cup and saucer

Lloyds had paid £741 for these items but Mr S said they were worth £941. He asked for an additional £200. Lloyds paid the increased amount and added interest.

As Lloyds has settled at the amount Mr S wanted, I don't think it needs do anything further.

Figurines

These had been valued at £1,935 but Mr S said they were worth more than that. Lloyds agreed to obtain a further valuation from a jeweller in consultation with Mr S and said if this led to a higher valuation it would consider paying interest in addition to the higher value.

If there's a dispute about the value of something, it's reasonable for an insurer to obtain a valuation from someone suitably qualified to provide this. As Lloyds agreed to arrange for that and abide by the valuation, it has taken reasonable steps to settle the claim for these items.

Gold tag

Lloyds had said this item would be returned but unfortunately it was lost. If something has been lost then obviously it can't be returned to Mr S. But it wouldn't be fair for him to be out of pocket as a result of this.

The fair way to put things right is to compensate Mr S for the value of the item and that's what Lloyds has agreed to do. The terms say the value will be at the date before loss but Lloyds agreed to get two valuations – one at the date of loss and one at the current date – and pay whichever value was higher. This means Mr S won't lose out as a result of any delay in settling the claim.

I'm satisfied the settlement offered by Lloyds is in line with the policy terms and is fair.

Distress and inconvenience

Lloyd also accepted there had been some poor service and paid compensation of £250 for this. I appreciate these items were of value to Mr S. Losing them would have been very upsetting. And he found the process of dealing with the claim and the complaint upsetting too. But the amount Lloyds has paid is a fair amount to acknowledge the upset caused to

him.

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 S to accept or reject my decision before 20 August 2023.

Peter Whiteley
Ombudsman