

Insuring the irreplaceable

Resolving disputes when treasured items are stolen

If you've made a special purchase for someone important in your life, or have been given a distinctive piece of jewellery, you'll know that some items are treasured for sentimental reasons far beyond their monetary value. So it's perhaps not surprising that when an item of this nature is lost, stolen or damaged, it can cause considerable distress. Every year the ombudsman service is asked by consumers to help settle insurance disputes involving much loved items that have been lost or damaged.

While most household policies provide 'new-for-old' cover, it's usually left to the insurance company (not the policyholder) to decide whether a claim for a lost or damaged item should be settled by repairing the item, replacing it, or by way of a cash settlement. However, insurance companies are expected to be reasonable when deciding what option to go for.

Opting for replacement is only likely to

be reasonable if the object being claimed for can actually be replaced. If the item is a piece of antique jewellery, it may not always be appropriate to expect the consumer to buy a modern replacement from a high-street retailer.

In a case the ombudsman recently investigated, Louise Williams from Aberdeen returned home to discover a number of items of jewellery she had inherited from her grandma had been stolen. Her insurance company said that they would meet the claim, but insisted that she replaced the item from a specific retailer. However, the retailer did not stock any similar items of jewellery to her grandma's.

Mrs Williams asked if the firm would be prepared to offer a cash settlement – to give her the opportunity to find pieces that were more similar in style to those that had been stolen. However, as the firm refused her request, Mrs Williams contacted the

ombudsman service. The ombudsman investigated matters and agreed that, as Mrs Williams was unable to replace the items, a cash settlement in these circumstances was perfectly reasonable.

If you need to make an insurance claim you should find that your insurer is able to deal with things swiftly and efficiently. But if things don't run smoothly, the Financial Ombudsman Service may be able to help. Set up by law, it provides a free, independent service and has official powers to settle a wide-range of financial disputes.



**Financial
Ombudsman
Service**

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