

The complaint

Mr E complains that St Andrew's Insurance Plc (St Andrew's) rejected a claim for damage to a laptop, cancelled his home insurance, and recorded a fraud indicator with a fraud prevention agency.

Mr E bought his policy through an insurance intermediary and most of his correspondence has been with this intermediary rather than directly with St Andrew's. For the avoidance of doubt, any reference to St Andrew's includes its agents, including the intermediary.

What happened

In July 2020, Mr E made a claim to St Andrew's for damage to a laptop. He said he'd knocked over a monitor which fell and landed on the laptop, which was lying upside down on the floor. He said a few days later the laptop battery "*exploded*" causing further damage.

St Andrew's appointed a specialist company (referred to in this decision as 'D') to inspect the damage to the laptop. D concluded that the damage couldn't have been caused in the way Mr E described and "*appears to have been caused deliberately*". Based on these findings, St Andrew's declined the claim and cancelled Mr E's policy (backdated to July 2020). It also reported the matter to Cifas, a fraud prevention agency.

Mr E denied causing the damage and brought his complaint to this service. He also told us the fraud indicator on Cifas meant he's been denied insurance elsewhere. He wants St Andrew's to settle his claim and remove the fraud indicator.

Our investigator didn't recommend that Mr E's complaint should be upheld. He thought St Andrew's had enough evidence to show that the damage hadn't happened the way Mr E described. His view was that St Andrew's was able to decline the claim, cancel the policy for fraud, and report the matter to Cifas.

Mr E disagreed with our investigator, so the case was passed to me to make a final 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.

St Andrew's referred Mr E to the fraud condition in his policy. This says it won't pay a claim and will cancel a policy if a policyholder "*provides information or documentation to us that is fraudulent or dishonestly exaggerates a claim*". St Andrew's told Mr E "*the damage is not consistent with the incident described and that you have misrepresented the claim in an attempt to benefit from the policy.*" In other words, St Andrew's believes Mr E made a fraudulent claim.

I've got to decide whether that was a reasonable conclusion. On balance, I think it was. I'll explain why.

St Andrew's experts, D, inspected the damage. They didn't believe the damage they found

could have been caused in the way Mr E described and the severity of the internal damage wasn't consistent with the damage to the external casing. In particular, D found that the motherboard "*has been hit with a sharp implement*", both the memory module and SSD (solid-state drive) were broken in two pieces. It believed the casing would have had to have been removed for the level of damage to have happened.

Mr E challenged this, and submitted photos and a video to support his position. He says, in summary:

- The monitor falling onto the laptop could have caused the impact damage identified by D.
- His photos and video don't show indentations to the base of the laptop, described in D's report.
- The damage set out in the report was greater than when he gave the laptop to D for inspection.
- This damage could have been done by D, either in transit or accidentally by the engineer who inspected the laptop.

I'm afraid I don't think Mr E has persuaded me that D's conclusions are wrong. I don't think the photos and video conclusively show D's description of "*multiple punctures*" to the base was wrong.

In any case, D's main conclusion was that the internal damage was so great that it couldn't have been caused unless the base had been removed. It noted that some of the internal damage – for example, to the heatsink and the SSD – didn't match the location of dents on the external casing. Also, D acknowledged that the battery fire was caused by lithium from the punctured battery reacting with the air. It said, "*The fire could have happened the next morning....*" But, according to Mr E, the fire happened several days later. That doesn't sound right.

I also think it's unlikely D caused the damage. While I can accept that a laptop could potentially be damaged in transit, I don't think this could cause the internal damage described in D's report. I also think it's unlikely an engineer could have done this accidentally.

In the absence of any clear evidence persuading me that D's findings are wrong, I don't think I can reasonably ask St Andrew's to reverse its decision. In the circumstances, I'm satisfied that it's shown – to an appropriate standard of proof – that Mr E made a dishonest attempt to gain a benefit to which he isn't entitled under the policy. It follows that I don't think St Andrew's acted unreasonably when it rejected the claim, cancelled the policy, and recorded the matter with Cifas.

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 E to accept or reject my decision before 4 March 2022.

Simon Begley
Ombudsman