

The complaint

Mr H has complained that First Underwriting Limited (First Underwriting) unfairly declined a claim under his home insurance policy.

What happened

Mr H contacted First Underwriting to make a claim for a fire at his home. First Underwriting initially accepted the claim. However, after further investigation, it declined the claim as it said it didn't think Mr H had taken reasonable care.

When Mr H complained, First Underwriting maintained its decision to decline the claim. It said Mr H had initially reported that the fire was caused by hot ashes and no alternative plausible explanation had since been provided. The fire service report also said they believed hot ashes were the cause. Although Mr H said the fire service report was based on a statement made by him, it said the fire service would have considered all possibilities before reaching its conclusion.

So, Mr H complained to this service. Our investigator didn't uphold the complaint. He said it was reasonable for First Underwriting to rely on the findings of the fire service. There also wasn't evidence to suggest the fire started because of a different reason.

As Mr H didn't agree, the complaint was referred to me.

I issued my provisional decision on 2 March 2022. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

First Underwriting declined the claim because it didn't think Mr H had taken reasonable care. The reasonable care exclusion said:

"You must take all reasonable care to prevent bodily injury, loss, damage or accidents to your property, and maintain the home and your belongings in a good state of repair."

I've also read the fire service report. It listed the fire damage and spread as:

*"Severe damage by fire to wheelie bin and contents.
Severe damage by fire, heat and smoke to whole garage and contents."*

The report listed the "Supposed cause" as:

*"Accidental – Combustible articles too close to a heat source
Fire involving hot ash in a wheelie bin which spread to the detached garage. The fire entered the garage from under the roof and spread inside the garage."*

I'm aware that Mr H has said he'd had a barbecue a couple of days before he then put the ashes in the wheelie bin with his bare hands. He said the ashes were cold to the touch. Mr H also said that when he spoke to the fire service at the time of the fire that he was shocked by what had happened. He said he later spoke to the fire service again, as he didn't think the

fire was caused by hot ashes. I haven't seen anything to suggest that the fire service has since revised its view on the cause of the fire.

I think it's reasonable for First Underwriting to rely on the fire service's findings that hot ashes were the cause of the fire. However, given Mr H's explanation of what he did with the ashes, I asked First Underwriting to explain what else it expected him to have done in order to show "reasonable care". First Underwriting didn't respond to my questions.

Based on everything I've currently seen, I haven't seen anything to show that Mr H's description of what happened isn't credible or that there is evidence that he didn't show reasonable care when disposing of the ashes. It's my understanding that ashes can retain heat for some time. Mr H said he left the ashes for more than a day before disposing of them and they were cold to the touch when he did so. I don't think this contradicts the fire brigades assessment of the likely cause of the fire, as I think a part of the ashes still retaining some heat could have caused the fire, but I don't think this in itself shows that Mr H didn't take reasonable care before disposing of them.

As a result, I currently intend to require First Underwriting to reconsider the claim for the fire and on the basis that Mr H did take reasonable care when disposing of the ashes. If First Underwriting pays a cash settlement for the claim, it should pay interest on any amount paid as Mr H lost use of the money.

I asked both parties to send me any more information or evidence they wanted me to look at by 30 March 2022.

Mr H agreed with my decision. First Underwriting didn't reply.

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've decided to uphold this complaint and for the reasons given in my provisional decision. I haven't found any reason to change my previous view of this complaint or how it should be resolved.

Putting things right

First Underwriting should reconsider the fire claim on the basis that Mr H took reasonable care when disposing of the ashes. If the claim is settled with a cash settlement, First Underwriting should pay interest on that amount.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require First Underwriting Limited:

- To reconsider the fire claim on the basis that Mr H took reasonable care when disposing of the ashes.
- To pay 8% simple interest on any cash settlement for the claim from the date on which the claim was first made to the date on which the payment is made, if the claim is settled in that way.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 April 2022.

Louise O'Sullivan
Ombudsman