

## **The complaint**

Miss M is unhappy Great Lakes Insurance SE is pursuing her for amounts it paid out under a rent deposit guarantee policy.

All references to Great Lakes include its agents and claims handlers.

## **What happened**

Great Lakes is the underwriter of a rent deposit guarantee policy Miss M took out. After she left the property it relates to the landlord made a claim for cleaning, damage and rent arrears totalling £1380. Great Lakes contacted Miss M in February 2021 to ask for her comments but didn't receive a response. It referred the matter to a dispute resolution service who made an award to the landlord of £785. Great Lakes paid this and sought to recover that amount from Miss M.

Miss M said she hadn't received the February email so hadn't been aware of the claim. She provided video evidence showing the condition of the property when she left it. Great Lakes said as the dispute resolution service had now reached its decision it was unable to consider further evidence.

Our investigator thought Great Lakes had taken reasonable steps to contact Miss M about the claim; it sent an email to the correct address. It appeared Miss M didn't receive that because she was having difficulties with her phone but that wasn't something Great Lakes was responsible for. And she thought Great Lakes acted reasonably in referring matters to the dispute resolution service and paying the amount it decided was due.

However, she thought when Miss M provided further information Great Lakes should have considered that and referred it back to the dispute resolution service for review. She said it should now do that and pay Miss M £50 to recognise the impact on her of not doing that earlier. Great Lakes didn't agree. It said the resolution service wouldn't consider evidence provided after the adjudication process had finished unless there were exceptional circumstances or a potential error of fact or law. It didn't believe that was the case here.

I let both sides know my initial thoughts on the complaint last month. In summary I said:

- Although it didn't appear Miss M had received the February email that was because of a problem with her phone rather than because of a failing by Great Lakes. And while it could arguably have paid out the claim without referring the matter to the dispute resolution service, doing so hadn't disadvantaged her.
- However, I didn't think it would be right to pursue a tenant for an outstanding debt if they'd clearly evidenced they weren't liable for it (even if that evidence had been provided after the resolution service reached its decision).
- In this case the video Miss M provided didn't show obvious issues with the condition of the property. But the more detailed photographs which formed part of the check-out report did show a number of problems including mould. The dispute resolution service

based its decision on that report. As it didn't appear the evidence Miss M had now provided would obviously impact the outcome of the claim I didn't think further action needed to be taken in relation to this.

- But I did think Great Lakes should have considered this information earlier and explained to Miss M why it didn't make a difference. I thought it should pay Miss M £50 to recognise the impact on her of not doing that.

Great Lakes agreed to do that. Miss M didn't agree. She said the information she'd provided showed the evidence Great Lakes had relied on was inaccurate. And she asked for her complaint to be reviewed. So I need to reach 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.

Under the terms of the policy Great Lakes is required to contact the tenant after a claim has been made *"to discuss settlement of the claim. You are required to either accept the claim and pay the Beneficiary or dispute the claim. If you dispute the claim We will refer it to our Expert Evaluation Partner to adjudicate"*.

It goes on to explain:

*"If Our Expert Evaluation Partner adjudicates in the Beneficiary's favour and You are found liable for Financial loss/Damage, We will pay the Beneficiary the amount determined to be due to You by Our Expert Evaluation Partner on Your behalf and We will seek to recover this payment from You and/or any Guarantor."*

In this case after the claim was made Great Lakes did try and contact Miss M in line with the policy terms using the correct email address it had for her. It's unfortunate she didn't receive that email but I don't think that's because of anything Great Lakes got wrong. And I think it was to Miss M's benefit it then referred the matter to the dispute resolution service as that led to the claim being reduced to £785. Under the terms of the policy Great Lakes is entitled to rely on the decision reached by the dispute resolution service.

I appreciate Miss M feels the video evidence she subsequently submitted should outweigh the decision of the dispute resolution service. And it's therefore not fair of Great Lakes to pursue her for the outstanding debt. But I don't agree. I've viewed the video evidence and I appreciate it doesn't show obvious issues with the condition of the property.

However, it appears to have been taken prior to Miss M's departure as not everything has been removed from the property. And the dated check-out report which was supplied by the lettings agency contains much more detailed photographs which do show issues when compared to the check-in report. So I don't think Miss M's video does obviously outweigh the evidence provided to the dispute resolution service or demonstrate its decision was clearly wrong. Given that I think Great Lakes acted in line with the terms of her policy and treated Miss M fairly in concluding she remains liable for the outstanding amount.

I do feel Great Lakes should have considered the video evidence when Miss M submitted it. But I think the £50 it's now agreed to pay is a reasonable way of recognising the impact on Miss M of not doing that earlier.

**My final decision**

I've decided to uphold this complaint in part. Great Lakes Insurance SE will need to pay Miss M £50. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 October 2022.

James Park

**Ombudsman**