

The complaint

- Mr M complains about Wakam for its decision to decline his claim for accidental damage. He wants Wakam to pay his claim and to pay him compensation for his inconvenience.

What happened

Mr M insured his home contents with Wakam, through an administrator. He included add-on cover for accidental damage up to £4000.

In Summer 2022, Mr M was painting whilst up a step ladder. He fell and knocked paint onto his sofa, dislodging the dust sheets that had covered it.

He submitted a claim to Wakam. He submitted evidence of the damage, and of the purchase of the sofa in spring 2020.

Wakam sent a loss adjuster to inspect the damage.

In August 2022, Wakam wrote to Mr M declining his claim. It said that he had failed to take reasonable care of his property, as was required by the policy as a general condition.

Mr M complained.

Wakam maintained its decision to decline the claim, but later relied on an exclusion for accidental damage. The exclusion said:

“we will not pay for loss or damage:

- 1. Arising during or as a result of cleaning, dyeing, alteration, restoration, repair or renovations”*

Mr M contacted us.

Our investigator looked into this and recommended that Mr M’s complaint be upheld. He did not think that the exclusion applied to the situation and that Wakam ought to reconsider the claim. He also recommended that Wakam pay Mr M £150 compensation for his inconvenience and distress.

Wakam did not accept that view, so the case has been passed for 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.

I agree with my colleague’s assessment, and I uphold the complaint.

Wakam argues that, because the accident occurred during redecoration works at Mr M’s

home, that it is excluded from cover as an accident.

I do not agree. The list of exclusions in the accidental damage section of cover (including damage caused by moths, vermin, pets or the sun for example), are examples of the excluded cause acting directly upon the insured item and causing damage.

For example, the sun causing the sofa fabric to fade would be excluded, or damage to furniture caused by a pet scratching would be excluded. The exclusion could therefore have been applied if the damage to the sofa had been caused by attempting to dye the sofa fabric or make alterations to it.

It is not fair to expand the exclusion to the circumstances of this complaint as the works were not being done to the sofa, and the damage was clearly caused by an accident. This situation is more akin to a vase being knocked over by someone vacuuming the floor: the damage would be caused by the knocking, not the vacuuming.

Wakam appears to have withdrawn its earlier suggestion that the claim was excluded due to a failure of Mr M to take sufficient care, and I agree that this should not apply. Again, it would be unfair to expand a general requirement to take ordinary care of one's possessions to essentially rule out any accidental event being covered.

Consequently, I agree with my colleague and uphold Mr M's complaint.

Putting things right

I am satisfied that it is unfair of Wakam to rely on these exclusions. I direct Wakam to reconsider the claim in light of the remaining policy terms, without further reference to the exclusions previously relied upon.

I also agree that Mr M has been caused distress and inconvenience by Wakam's position on this matter and agree that Wakam should pay to him £150 compensation to reflect this.

My final decision

For the reasons given above, I uphold Mr M's complaint and direct Wakam to:

- Re-consider Mr M's claim in line with the remaining policy terms; and
- Pay to Mr M £150 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 February 2023.

Laura Garvin-Smith
Ombudsman