

## **The complaint**

Mr and Mrs B complain that Great Lakes Insurance SE (Great Lakes) declined their claim for the loss of an awning, under their touring caravan insurance policy.

For ease I'll refer to Mr B in my decision. All references to Great Lakes include its agents.

## **What happened**

Mr B says he was clearing out his garage when he accidentally disposed of the roof section of his caravan awning. He says he did this mistakenly thinking it was an old awning from a previous caravan he'd owned. Mr B says he's no longer able to use the awning as it's incomplete. So, he made a claim to Great Lakes.

Great Lakes declined Mr and Mrs B's claim. In its decline letter it says the policy includes cover for various insured perils including accidental damage. It says the awning has been disposed of which is not considered to be damage nor is it accidental in nature. Great Lakes says it considers Mr B having disposed of the awning a deliberate act.

Mr B didn't think this was fair and complained to Great Lakes. It acknowledged his argument that the missing section of awning meant it was now damaged; his view that this was the result of an unexpected cause as he disposed of the awning roof mistakenly; as well as his view that the disposal wasn't deliberate but accidental. But Great Lakes didn't change its position. It thought its policy exclusion applied in these circumstances, as the damage was caused deliberately. So, it maintained its decline decision.

Mr B disagreed with this outcome and referred the matter to our service. Our investigator upheld his complaint. He says Mr B didn't deliberately dispose of the awning. Because of this he didn't think Great Lakes was able to rely on the exclusion it had. He says it should reconsider Mr B's claim.

Great Lakes disagreed. It says its policy doesn't cover items that are carelessly disposed of. It says Mr B has a reasonable duty of care and disposing of the awning shows care wasn't taken. It also says the loss claimed isn't accidental damage and that negligence can't reasonably be considered an unexpected cause.

The complaint has been passed to me to decide.

## **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 Mr B's complaint. Let me explain.

It's the policyholder's responsibility to show that they have suffered an insured loss. If they can do this then, generally speaking, the insurer should pay the claim unless its reasonably able to rely on a policy exclusion not to.

Mr B says he's suffered a loss due to an accidental damage cause. I've read his policy terms to understand what cover is provided in these circumstances. I can see the policy covers accidental damage. This is defined in the policy terms as:

*"Accidental Damage Caused suddenly and as a result of an external, visible and unexpected cause."*

In its decline letter Great Lakes says the awning wasn't damaged it was disposed of. When Mr B complained he said the dictionary definition of damage is, *"physical harm caused to something that makes it less attractive, useful or valuable"*. He no longer has the roof section of the awning. Mr B thinks this means the awning is less useful and therefore damaged under this definition.

I've thought carefully about what Mr B has said. The policy terms don't include anything further to clarify what damage is. However, our service takes the view that damage, as well as physical damage, can also, reasonably, be interpreted as a loss of function. This means the item can no longer perform the task that it is supposed to. In this case the awning doesn't have its roof section, which means it can't perform its intended function.

I acknowledge Great Lakes view that the manner in which the damage occurred means it doesn't fall within the policy definition of accidental damage. But there is a loss of function of the awning as a result of the unexpected cause of Mr B accidentally disposing of the roof section. Because of this I think Mr B has reasonably shown that he has suffered an insured loss under the cause of accidental damage.

Great Lakes has also relied on a policy exclusion to decline Mr B's claim. Under the general exclusions section, the policy terms say:

*"We will not pay for: Loss or damage caused deliberately by You or Your Immediate Family."*

Great Lakes says that Mr B deliberately disposed of the roof section of the awning. I understand its argument here. Mr B admits he took this section of the awning to his local tip to be disposed of. However, importantly, it wasn't Mr B's intention to dispose of the awning roof. He explains how this was a mistake as he thought he was disposing of an older awning from a previous caravan he had owned.

Having considered this carefully, I don't think Mr B deliberately caused this loss. Rather this happened accidentally. Mr B explains how he had stored the awning in a bag that had details of the old awning written on it. His intention was to dispose of the old awning.

Having considered all of this I don't think Great Lakes treated Mr B fairly when declining his claim for the reasons it gave. It should now reconsider his claim under the remaining policy terms.

### **My final decision**

My final decision is that I uphold Mr and Mrs B's complaint. Great Lakes Insurance SE should:

- reconsider Mr and Mrs B's claim under the remaining policy terms without relying on the exclusion for the damage having been caused deliberately.

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

Mike Waldron  
**Ombudsman**