

The complaint

Mr C complains that U K Insurance Limited (UKI) are unfair in wishing to apply multiple excesses to his insurance claim for damaged carpets.

What happened

Mr C has a landlord's contents insurance policy with UKI, for a flat he rented out. He says his tenants kept and bred dogs in the flat, against the terms of the tenancy agreement. The flat had no outdoor space and the tenants allowed the dogs to soil the carpets.

Mr C didn't make a claim but on enquiry was told the damage would be considered to be accidental and that an excess would apply to each carpet/room. Mr C wasn't happy with that but UKI maintained it was a reasonable approach because the damage likely happened at different times.

An investigator here looked into the matter. They felt that the damage would more properly be considered as malicious, and they felt just one excess should apply to the carpets. UKI agreed the damage could be considered as malicious, but they maintained it was reasonable to deduct multiple excesses.

Agreement couldn't be reached, so the case 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.

Bearing in mind UKI has agreed to treat the carpet damage as malicious, the matter for me to decide is whether or not one or more excesses should be applied.

Looking at the policy wording, it provides cover for damage caused by "*Malicious persons*". It appears to be agreed that the tenants wilfully allowed the dogs to cause damage which was – in effect – inevitable. Keeping dogs inside a flat with no outdoor space is only going to lead to the carpets being soiled.

And, from what I understand, there was little or no attempt to clean up after the dogs. It's also been said that there were rent arrears leading to a bailiff being instructed as well as several complaints made against the tenants. I consider this beyond mere neglect. In any event, UKI had already agreed to cover the damage as accidental so really, it's the excesses that are in contention.

Turning to those, I understand UKI's point that the damage is unlikely to have all been caused at the same time. But this is an unusual case and by the tenants doing what they did, multiple areas of damage were inevitable. And it has been agreed they can be considered as having flowed from the acts of malicious persons. The policy isn't prescriptive in terms of 'acts' though, it just says "*malicious persons*".

In view of that, I think it is reasonable to say that just one excess should apply. Ultimately the

tenants/malicious persons are responsible for the damage arising so that is what the claim is for, i.e. malicious persons is the peril.

While I've already concluded that just one excess should apply to the carpets, it may be worth noting something else the policy states. Under the heading "*Excess*", it says "*All claims or series of claims, arising out of any one original cause, will be treated as one claim*". The original cause here was malicious persons keeping dogs in an unsuitable environment.

For completeness, I am aware Mr C may want to claim for other damage and possibly theft too. As he has not yet made a claim other areas haven't been fully considered, although it is worth me mentioning that UKI have suggested some of the damage may be considered as being to the building (cover which Mr C doesn't have) and that further excesses may be applied if the claims fall under different sections of the policy.

My final decision

It is my final decision that I uphold this complaint. If Mr C submits a claim for the damaged carpets, then only one excess should be applied. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 August 2023.

Will Weston
Ombudsman