

## **The complaint**

Ms G complains about how U K Insurance Limited trading as Privilege (“UKI”) handled her claim on her home insurance policy following a fire at her property.

## **What happened**

Ms G had home insurance that was underwritten by UKI. In March 2022 there was a fire at her property and she made a claim. UKI sent a loss adjuster to look at the damage. It also carried out interviews with the fire brigade that attended the fire and other witnesses.

In October 2022 it wrote to Ms G to say it was declining her claim. It said it thought the fire had been started deliberately and was therefore excluded from cover.

Ms G didn’t think this was fair. She said she wasn’t sure how the fire started but it hadn’t been deliberate. She also said UKI’s loss adjuster had disposed of a large amount of her furniture, carpets and belongings when it visited the property and now the claim had been declined, this left her unable to replace the items. Further she said UKI had requested her full medical records and threatened to take away her alternative accommodation if she didn’t provide them, which had been distressing and inappropriate. She made complaints about her concerns.

UKI upheld her complaint about the medical records. It accepted its loss adjuster had incorrectly requested all her records when it just required the discharge form from her hospital visit after the fire. However it maintained its position on the decline of the claim as it said the evidence it had seen suggested the fire was started deliberately. And it said the items were disposed of due to fire or smoke damage so they were beyond economical repair. And it said it got Ms G’s agreement before doing so.

Unhappy with this response, Ms G brought her complaint to this service.

Our investigator considered the issues but didn’t think UKI had acted unfairly in declining Ms G’s claim. And she thought it had acted reasonably by disposing of the contents of Ms G’s property due to fire damage, smoke contamination and water damage. However she agreed it hadn’t acted fairly by requesting all of Ms G’s medical records. And she thought it should pay £150 compensation to apologise for the distress and inconvenience this caused.

UKI agreed to pay the compensation. However Ms G didn’t accept the outcome. She maintained that a number of the items that were disposed of were in a good condition and should have been returned to her. And she didn’t think the decline of the claim was fair. She asked for her complaint to be reviewed by an ombudsman.

## **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.

## **Claim decline**

As part of this decision, it isn't for me to decide what the cause of the fire was. As that falls outside the remit of this service. Instead I need to consider whether UKI came to a fair and reasonable decision on Ms G's claim, based on the available evidence.

UKI has relied on the following exclusion to decline Ms G's claim:

*'Any loss, damage or legal liability caused, or allowed to be caused by deliberate, wilful, or malicious act of you or any paying guest or tenant'*

I need to consider whether it's done enough to prove this exclusion would fairly apply.

I've looked at the evidence provided. I can see that when UKI's loss adjuster first visited the property they noted concerns about the fire being caused deliberately. UKI went on to instruct fire specialists to inspect the damage and they concluded that the only explanations for the fire were either that it started from a candle or that it was deliberate. And that it was most likely deliberate, due to the two seats of the fire in separate locations.

UKI also interviewed the fire officer that attended the scene and helped put out the fire. And it was his belief from his observations and experience that the fire had been started deliberately.

Of these, I find the report from the fire officer most persuasive. As he was at the property when the fire happened, so would likely be able to provide an accurate account of the events. And he was able to inspect the seat of the fire right after it was put out. He also has many years of experience attending fires and identifying how and where they started.

Based on this, I think UKI has done enough to prove the exclusion would fairly apply. It instructed two experts to inspect the damage and got the opinion of the officer who attended the scene. And the opinions of those who inspected the damage were that the fire was most likely started deliberately. I therefore think UKI acted fairly and reasonably by declining the claim on this basis.

I want to add that I can see this has been a very stressful time for Ms G. The fire would have been a distressing experience and she has explained the issues UKI declining her claim has caused her since. And by deciding UKI acted fairly I don't wish to diminish the impact the matter has had on her. However I have to base my decision on the expert evidence available, and having done so I don't find that UKI has acted unfairly.

### **Items of contents**

Ms G has also expressed concern about UKI disposing of a number of items of contents, furniture and carpets from her property that she said were in good condition.

I've looked at the report produced by UKI's loss adjuster and I can see that the items that were disposed of were all inspected by them and deemed to be beyond economical repair. In some areas this was due to the physical damage that was caused by the fire – particularly in the kitchen. But for some items this was due to contamination caused by the smoke. This type of damage is less easy to identify as it doesn't always cause obvious physical damage. But it would leave the items unsafe to retain. As UKI's loss adjuster inspected the items and deemed them unfit to retain, I think UKI acted fairly by disposing of the items.

I can see that since the claim has been declined this has left Ms G in a really difficult position. As she now has to fund a large amount to replace all the items. I don't doubt that this is a very distressing position to be in. However as UKI's expert deemed the items unrepairable, and I've seen no evidence to suggest this wasn't correct, I don't find that UKI

acted unfairly here.

### **Request for medical records**

As part of its investigation into the cause of the fire, UKI needed to obtain the details of Ms G's visit to the hospital. However its loss adjuster requested she provide her full medical records. And it asked her to sign a mandate for it to have access to these. It said without this, the alternative accommodation she was staying in would be taken away.

UKI has accepted this request was incorrect and unnecessary. However I can see that this caused Ms G some distress at the time and UKI hasn't taken any action to put this right. She was already in a distressing situation, as she was living out of her home. And the request caused her unnecessary worry that she could end up having nowhere to live while her home was uninhabitable.

Due to this, I agree with our investigator that UKI should pay Ms G £150 compensation to apologise for the error its loss adjuster made in its request and the distress this caused her.

### **My final decision**

For the reasons I've given, I direct U K Insurance Limited trading as Privilege to pay Ms G £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 29 September 2023.

Sophie Goodyear  
**Ombudsman**