

The complaint

Mrs S complains about the decision by U K Insurance Limited ('UKI') to turn down a claim made under her landlord insurance policy.

What happened

Mrs S holds a landlord insurance policy with UKI which covers her rental property.

In September 2022, the tenant moved out. In January 2023 a bathroom tap burst due to freezing temperatures. Mrs S made a claim for the damage, but UKI turned this down. It said the policy had a condition that required the property to be kept at a minimum temperature when unoccupied, but this hadn't been complied with. It also said if Mrs S had told it the property was unoccupied for that length of time, there would have been no cover for escape of water. Unhappy with this, Mrs S brought a complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought UKI's claims decision had been reasonable.

Mrs S didn't accept our investigator's findings and so the matter has been passed to me for a 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.

The policy covers escape of water, but excludes damage when the premises are vacant or disused. The policy defines this as:

'Buildings or any part thereof that have become unoccupied, untenanted or which have not been actively used for a period of more than 90 consecutive days.'

The property hadn't had a tenant for more than 90 days before the loss, and so I'm satisfied the damage was excluded. Though UKI also says that Mrs S failed to comply with two policy conditions, which meant there was also no cover.

One condition says that within 30 days of the property becoming unoccupied or untenanted or not having been actively used, certain actions need to be taken. One of these is that the water and heating system must be turned off and drained between 1 October and 31 March. Alternatively, the central heating should be maintained at a minimum temperature of 10 degrees centigrade in that period.

Mrs S said that her brother regularly checked on the property. When the loss adjuster visited the property, they spoke with Mrs S's brother. He explained that he'd last been to the property on 2 January 2023 and the boiler had been kept on a freeze setting. He told the loss adjuster the boiler activated when water in it reached five degrees centigrade and turned off when it reached 10 degrees centigrade. There was no longer a thermostat at the property as this had been damaged by the water and thrown out.

So, although the boiler had a feature which prevented the water within it from freezing, this wasn't maintained at 10 degrees centigrade.

Mrs S says the radiators were set to the frost protection setting, and I see the loss adjuster took a picture of one radiator showing this. However, whilst I appreciate this protects the radiators against freezing temperatures, I haven't seen anything which shows it keeps the temperature at 10 degrees centigrade or above (I've checked on the internet and from what I've seen, this sets the temperature to around 5 degrees centigrade).

I've taken into account Mrs S's point that her energy bill between September 2022 and February 2023 shows that gas had been used. However, I also understand that after the last tenant moved out in September 2022, there was some decorating and cleaning carried out in the property. So I don't think this bill is enough to show that the central heating was kept at a minimum temperature of 10 degrees centigrade. I'm therefore satisfied it was reasonable for UKI to say that Mrs S didn't comply with this condition.

The policy also has a condition that if a property is unoccupied or untenanted for more than 90 days, the insured must tell UKI through their broker. UKI says that Mrs S didn't tell the broker the property would be unoccupied, and if she had done, the cover would have been automatically restricted after 90 days to cover for fire, lighting, explosion, earthquake, aircraft, storm, flood, impact and breakage or collapse. Therefore, there would have been no cover for escape of water anyway, even if Mrs S had complied with the condition that required her to keep the central heating at a minimum temperature after 30 days of the property being unoccupied.

Mrs S says she told her broker in September 2022 that the tenant had moved out. I see we've looked into this under a separate complaint against the broker, and we concluded that Mrs S hadn't let the broker know the property would be vacant.

Overall, I'm satisfied it was reasonable for UKI to decline the claim.

Mrs S is also unhappy about UKI's handling of the claim. I see that UKI was notified of the claim on 14 January 2023. Mrs S arranged for the leak to be stopped, and UKI received a repair invoice and photos of the damage on 27 January 2023. UKI considered the claim and on 10 February 2023 it instructed a loss adjuster to visit the property and review the claim. The loss adjuster visited the property on 21 February 2023, and provided their report to UKI on 1 March 2023. The claim was turned down on 10 March 2023.

So, it took around two months for UKI to consider the claim and make a claims decision. That's not an unusual timeframe for claims such as this, particularly as UKI arranged for a loss adjuster to visit the property too. I don't think UKI caused any significant delays here.

Mrs S has also raised concerns about the communication received from her broker. She should raise her concerns about this with the broker in the first instance.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 April 2024.

Chantelle Hurn-Ryan
Ombudsman