

The complaint

Mr M has complained that Tesco Underwriting Limited (Tesco) declined a claim he made under his home insurance policy for landslide damage to an outbuilding.

What happened

Mr M holds a home insurance policy which is underwritten by Tesco. He made a claim to Tesco when an outbuilding he owns was damaged by a landslide from a neighbouring property.

Tesco declined the claim on the basis that the outbuilding in question wasn't covered by the policy because it was outside the boundary of Mr M's home.

Mr M brought his complaint to our service where it was looked at by one of our investigators. She issued two different assessments of the complaint, initially explaining she thought it should be upheld, but later changing her view based on additional comments and evidence provided by Tesco.

Ultimately, our investigator said Tesco's decision to decline the claim was in line with the policy terms and was fair and reasonable in the circumstances. This was because the available evidence showed the outbuilding in question was outside of the boundaries of Mr M's main residence.

Mr M didn't accept our investigator's assessment. So, as no agreement has been reached, 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, while I appreciate it will come as a disappointment to Mr M, I agree with the second outcome reached by our investigator. I'll explain why.

Mr M's policy explains the cover provided under the contract of insurance:

"In return for you paying the premium or agreeing to pay the premium, we will provide cover, in accordance with the contract of insurance for:

- (i) loss and/or damage to your buildings;*
- (ii) loss and/or damage to your contents;*
- (iii) certain liabilities incurred by you which occur during the period of insurance or as set out in this policy booklet."*

The policy document also provides a specific definition for the words 'buildings' and 'home':

“Buildings

The main building and any other permanent structure within the boundary of your home...”

“Home

The private residence (including the main building and any garages or outbuildings) at the address stated in your schedule, used by you for domestic and home working purposes only.”

The policy booklet further explains that:

“Your and your family’s contents are covered for loss or damage arising as a result of the insured incidents listed in the sections below when they are:

- *in the buildings; and*
- *in the open but within the boundary of the home.”*

What all this means is that the outbuilding in question, and the damaged contents within it, would only be covered under the policy if they were within the boundary of Mr M’s home.

Mr M has explained that it’s not unusual for non-adjacent plots of land to form part of one address in the area which he lives in. He says the land on which the outbuilding sits doesn’t have a registered address with the local authority. Instead, he says it shares the address of the main property. Mr M says he took out the cover in good faith expecting all his property to be covered, so he doesn’t think Tesco has treated him fairly.

Tesco says the land on which the outbuilding sits is some 300m away from Mr M’s home, with other properties sitting between the two plots. It has provided land registry title information which shows that the two plots of land have separate titles each showing separate boundaries. It says there is no evidence to support that the two titles have been amalgamated, and that the planning permission documents for the outbuilding referred to the land by a different name than that of Mr M’s address. Tesco doesn’t dispute that Mr M owns both plots of land, but it maintains that for the outbuilding to be covered, it needed to fall within the boundary of the main residence – which it didn’t.

I’ve thought carefully about all the evidence and arguments provided. Having done so, I find the evidence supports Tesco’s position in this case. Whether or not the land on which the building sits has had a separate address registered with the local authority doesn’t mean it automatically becomes part of the other nearby land Mr M owns. Were he to seek to register an address for the land, I’m persuaded that it would be issued its own distinct address, on the basis that the land has its own distinct title and boundaries.

I don’t doubt that Mr M took out the policy in good faith, nor that he assumed his outbuilding would be covered. But I’m mindful that the sale of the policy was non-advised, which means Tesco wasn’t responsible for making sure the policy was suitable for Mr M’s needs. Rather, it simply needed to provide enough clear information for Mr M to make an informed choice.

Given the multiple references to the word boundary within the policy literature, particularly within the definition of ‘buildings’, I think it’s clear that the intention of the policy is only to cover buildings within the boundary of the main residence. And given the fact that Mr M knew he owned an outbuilding on a separate plot of land, I think the onus was reasonably on him to check with Tesco whether that building would be covered under this policy, rather than simply proceeding under the assumption that it would be.

Ultimately, I think the evidence is clear that the outbuilding is not within the boundary of Mr M's home. Therefore, while I fully appreciate the disappointment this will cause, I think Tesco have declined Mr M's claim fairly and reasonably, in line with the policy terms and conditions.

My final decision

For the reasons I've explained above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 March 2024.

Adam Golding
Ombudsman