

## **The complaint**

Mr S is unhappy with UK Insurance Limited's ("UKI") decision to decline a claim under his home insurance policy, and how long it took to reach its decision.

Any reference to UKI includes the actions of its agents. As Mr S is represented on this complaint, any reference to him also includes the comments of his representative.

## **What happened**

The circumstances of this complaint are well known to both parties, so I've summarised what's happened.

- Mr S has a home insurance policy which is underwritten by UKI. He made a claim on the policy in December 2022 telling UKI his property had been burgled.
- In September 2023, UKI wrote to Mr S saying it had concerns about the information he'd given and the circumstances of the alleged theft. It said:
  - Mr S had given four different time frames for when the burglary happened.
  - He'd given conflicting reasons for why he'd left his property at the time of the event – saying he was collecting his brother-in-law from the coach station but then changing this to his cousin.
  - There was a discrepancy with how long Mr S said he waited for the police to attend - saying it was 45 minutes later on one occasion but 2-3 hours on another.
  - There was no evidence of forced entry, and it noted the police report said the window was left open when the incident occurred. UKI added its agent had reported the window was in a poor state of repair, and so it doesn't accept force was used to enter the property.
  - It has concerns about the items reported as damaged or stolen during the alleged break-in, noting that the only item logged on the police report was a jewellery box. It said Mr S hadn't been able to provide a valid explanation as to why other items claimed for were missing from the police report.
  - It added that it had been provided with three different listings of the lost items since the claim was registered and noted Mr S said £2,000 cash was missing when logging the claim but didn't report this to the police at the time.
  - Part of the claim is for damage to several areas of the kitchen but UKI's agent doesn't consider this to be consistent with damaged caused by intruders - as the damage looks to be longstanding, pre-existing, with elements of wear and

tear.

- Electrical items claimed for were inspected by UKI's agent who said the damage was due to wear and tear, except for one television which could be attributed to accidental damage. It reiterated that these items were not reported to the police.
  - It questioned why the intruders would have known to look behind the kitchen plinths to find Mr S' jewellery box - saying this is an unusual place to hide it. And it thought it was unusual that only the downstairs was targeted.
  - Finally, it said given Mr S' jewellery was valued at approximately £48,500 in 2021, it would have expected him to make UKI aware of this when his policy renewed in July 2022, as his limit is £30,000.
- Mr S provided a response to UKI's letter. In summary he said he was in shock at the time of talking to the police and logging the claim which is why there are inconsistencies with the timeframe the alleged burglary took place. He said these inaccuracies were genuine mistakes.
  - He confirmed he'd gone to pick up his partner's brother from the coach station – adding he'd provided the family member's contact details and bus ticket to prove this.
  - He said he'd never left the window open and so, doesn't understand why this was in the police report. He said he'd provided a photo of a broken latch which shows the window was subject to forced entry.
  - He said he was unaware he needed to report every missing / damaged item to the police before making a claim. He confirmed £2,000 wasn't missing – this had been a misunderstanding with his partner. And he said there were inconsistencies with the items claimed for because the house had been turned upside down – with the police advising not to touch things.
  - UKI considered Mr S' response, but it maintained its decision to repudiate the claim saying it was satisfied it had been made fraudulently.
  - So, Mr S brought a complaint to this Service. An Investigator considered it and didn't uphold it. He was satisfied, given the number of inconsistencies, UKI had reasonably declined the claim. Because Mr S disagreed the complaint has been passed to me for a final 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.

I've also kept in mind UKI's responsibility as an insurer to handle claims fairly, promptly and to not unreasonably decline a claim. And having done so, I agree with the outcome our investigator reached – and so, I'll explain why I'm not upholding this complaint.

The policy provides cover for the claim Mr S wanted to make, but after looking into it, UKI concluded events hadn't happened in the way Mr S says they did. And it has concerns about the claim being exaggerated saying Mr S claimed for items which hadn't been reported as stolen or damaged to the police at the time. And so, UKI said it's not going to pay the claim.

Falsely making a claim for an insured peril which didn't occur amounts to fraud. As does exaggerating a claim for financial benefit. So, if Mr S made a claim for theft knowing a burglary hadn't occurred, and claimed for items knowing they hadn't been stolen or damaged, it would be reasonable for UKI to treat this as a fraudulent claim, as the policy includes a fraud term which says:

*"You must be honest in your dealings with us at all times. We will not pay a claim that is any way fraudulent, false, or exaggerated. If you, any person insured under this policy or anyone acting on your behalf attempts to deceive us or knowingly makes a fraudulent, false or exaggerated claim:*

- *Your policy may be cancelled*
- *We may reject your claim and any subsequent claims*
- *We may keep any premium you have paid."*

I also need to consider any relevant law – in this case the Insurance Act 2015, which says if a claim is false or exaggerated, its fraudulent and the insurer:

- Is not liable to pay the claim,
- May recover from the insured any sums paid to them in respect of the claim, and
- May by notice to the insured treat the contract as having been terminated with effect from the time of the fraudulent act.

Where fraud is suspected, its good industry practice to gather evidence and interview those involved, giving them the opportunity to clarify any discrepancies and provide further evidence if necessary.

Here, UKI appointed experts to review the items allegedly damaged during the burglary, as well as the condition of the window which Mr S says the intruders forcibly opened to gain entry into his home. In addition, UKI gave Mr S the opportunity to put across his version of events, and to also reply to its concerns about the legitimacy of the claim. So, on its face, I'm satisfied UKI acted in accordance with good industry practice.

So, I've looked at the evidence to decide what most likely happened on the balance of probabilities - and ultimately, determine whether UKI's decision to decline the claim on the basis of it having been made fraudulently to be fair and reasonable in the circumstances.

Turning to the issue about how the alleged theft was said to have occurred – Mr S said the intruders entered through a window and used force to do so. But UKI disputes this and has relied on the findings of an expert who, having surveyed the window, said:

*"Upon close inspection our surveyor found the existing timber window was in poor condition with decay and joints that appear to be opening up. There is no evidence of any forced entry. The window is not key locked and operates with an old-style casement stay and peg receiver. The screws in that peg receiver in place are not adequate and longer screw fixings are required. This is classed wear and tear."*

This, coupled with the police report which states Mr S said the window was left open (though I appreciate he disputes saying this), suggests, on the balance of probabilities, the window wasn't forcibly opened or damaged during an alleged break-in.

I also have to keep in mind that Mr S gave various timeframes for when the alleged theft took place, how long the police took to arrive, and who he'd gone to pick up at the time of leaving his property unoccupied. I note he has told UKI it was his brother-in-law but also his cousin. I've seen Mr S provided contact details for both – but neither could be contacted to corroborate his version of events, as they were out of the country. Whilst I appreciate a burglary is a stressful situation – and might affect people in different ways – I think it's fair to say Mr S ought reasonably to have remembered who he was picking up on the day of the burglary. And as Mr S has given inconsistent testimony for the period in which the alleged theft occurred, it's reasonable for UKI to question the circumstances.

Another notable concern of UKI's relates to items being claimed for which weren't reported as missing or damaged to the police at the time of the incident. Mr S has said he didn't realise he needed to report *every* item to the police, and as he was stressed, he couldn't think straight. I think that's understandable given the circumstances, but what is apparent is that Mr S didn't update the police to say he'd discovered other items had been stolen or damaged. But in any event, I'm not persuaded Mr S' stress in the immediate aftermath accounts for him providing differing lost items lists to UKI at later dates.

I've also thought about Mr S being reluctant to supply items for inspection, and those that were, being found to have *not* been damaged as a result of a break-in, but rather wear and tear. With regards to the former, I note UKI attempted to collect a television on several occasions, but Mr S didn't accommodate this. It's unclear why Mr S would have been reluctant to do so if it was his genuine held belief that it had been damaged during the alleged burglary. I also think it's unusual that when the surveyor asked to inspect the tablet which Mr S had been damaged during the break-in, Mr S wasn't able to provide this to the surveyor. I can't see that a plausible explanation has been given as to why this was.

Furthermore, as the damage to inspected items was found to be attributable to wear and tear, I think it's reasonable for UKI to consider this to have *not* been caused during the alleged break-in and was more likely than not an attempt on Mr S' part to make a financial gain by claiming for items which weren't damaged as a result of an insured peril. And having looked at the pictures of the kitchen I agree the damage looks more likely than not to be long standing and caused by wear and tear over a period of time – and not a one-off event.

UKI has said it finds it unusual the thieves knew to look behind the kitchen plinth for the jewellery box and didn't venture upstairs. I think that's a valid concern as it is an unusual place to keep valuables – and it suggests either the thieves knew to look there or were very fortuitous in finding the jewellery box behind the plinth. It's not beyond the realms of possibility that it was a genuine burglary in the way Mr S describes, but given this, and the totality of the inconsistencies, I'm satisfied there's enough to demonstrate on the balance of probabilities that the claim was false or exaggerated, and that UKI has fairly demonstrated its reliance on the fraud condition to decline the claim. And so, I won't be asking it to do anything else.

As Mr S will know, if he doesn't accept my decision, it's not legally binding - he may wish to pursue this matter through other means, such as the courts.

### *Delays*

Mr S says UKI took too long to reach a decision on his claim. I haven't seen anything to persuade me UKI caused avoidable delays, and given the severity of its concerns, its reasonable it would want to carry out further investigations which inevitably extended how long it took to reach an outcome on the claim.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 March 2024.

Nicola Beakhust  
**Ombudsman**