

The complaint

X complains about UK Insurance Limited (UKI) who declined his claim under his home insurance policy.

Reference to X includes his agents.

What happened

The background of this complaint is well known to both parties, so I won't outline them in full, but highlight the important points.

X's home suffered from an escape of water around December 2022, after a pipe had burst following a spell of cold weather.

The claim was reported on behalf of X and during the call to UKI, it was confirmed X's property had been unoccupied since October 2021, as X had been living in care homes.

It was also confirmed X's relative, and a friend had visited the property. But the water leak had been ongoing for around four weeks before it was discovered, due to the property being unoccupied.

UKI said it conducted a review of the claim and instructed its contractor to assess the damage and to review the possibility of installing temporary electrics. Following on from this, UKI also instructed a loss adjuster to assess the full extent of the damage, as liability hadn't been accepted. UKI said after this assessment, the claim was declined as the policy terms and conditions confirmed no cover was available where a property had been unoccupied for more than 60 days.

UKI said the policy renewed on 15 March 2022 and no one contacted them to discuss the occupancy of the property and how it might affect future cover. Which meant UKI wasn't made aware of any material changes to the risk it was being asked to cover.

X complained to UKI. He said the property had been occupied to comply with the policy terms. X also believed the delays during the claims process had increased damage to the property by allowing mould to spread and develop.

In its final response, UKI partially upheld X's complaint. It accepted there were occasions when there was poor communication and there was delay in confirming the decision to decline to X. For this it offered and paid £500 compensation, for the trouble and upset caused. But it didn't uphold X's other complaint, namely the occupancy of the property.

X remained unhappy, and referred his complaint to this service, for an independent review.

An Investigator considered the complaint and didn't think it should be upheld. Whilst he agreed there were incidents of poor communication and delay, he said the apology and the

£500 compensation paid by UKI, was a fair way to resolve this aspect of X's complaint. He also agreed, UKI reasonably declined the claim, in line with the policy terms and conditions.

UKI accepted the view, X did not. He reiterated his complaint points. He requested UKI accept the claim and pay him an increased amount of compensation.

As the matter couldn't be resolved, it 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.

Having done so, I don't uphold this complaint, for much the same reasons as the Investigator. I understand this will be a disappointment to X, but I hope my findings go some way in explaining why I've reached this decision.

X complains about the unoccupancy of the property. He questioned whether the property could be unoccupied, given a relative visited and stayed overnight at least every 60 days. He said, if it was so occupied, was it necessary to report X's residence in care homes to UKI at all? And finally, what were the expectations regarding notification when someone was incapacitated.

Firstly, I acknowledge X has strong views about whether the property was occupied and whether it was necessary to inform UKI about X's residence in care homes. But it's not the role of this Service to act as claim handlers, what we decide in a matter like this, is whether the insurer has acted in accordance with the terms and conditions of the policy, which set out the agreement between the parties considering all available evidence. And I'm satisfied UKI did. I say this because the terms allow UKI not to cover properties for specified perils (such as an escape of water), where they've been unoccupied for more than 60 days:

'We don't cover: • loss or damage when it has been more than 60 days since you last slept at your home on a regular basis (which doesn't include occasional visits or stays).'

It further provides a definition of unoccupancy as:

'When your home is not normally and regularly lived in by you during the day and overnight" with you defined as "The person or persons named in your schedule and any of the following who normally live with them: their husband, wife, partner (a person living with them as though married), civil partner, children, parents and other relatives normally living with them.'

I've also seen the exclusion contained in the insurance product information document (IPID) it states:

'What is not insured: if your home is unoccupied more than 60 days in a row the following are not covered...escape of water..'

Having reviewed the exclusion terms in the policy, I can't agree they are unreasonable. As it's clear from the terms, UKI won't cover an escape of water where a property is unoccupied for a number of days.

One of the reasons UKI put forward was the exclusions are placed on the policy to limit the risk of extensive damage, which can often be the case for unoccupied properties.

X explained he had been in care homes since October 2021, but his relative and friend had visited the property 'at least every 60 days', so he believed the policy was complied with. Train tickets from his relative were provided, as well as several dates they attended. X explained a friend occasionally attended the property too.

Whilst I accept X's relative and friend attended the property, based on the evidence provided and the policy terms, I'm persuaded by UKI that X didn't occupy the property for more than 60 days in a row. Which didn't include the occasional stay or visit. Nor am I persuaded the evidence supported X's friend visiting the property, in compliance with the policy terms either.

I've next had a look at X's other issues he raised. Namely, whether it was necessary to report X's residence in care homes and what were the expectations regarding the notification when someone is incapacitated.

I've reviewed the policy terms to see the obligations on both parties. On page five of the policy terms and conditions it states:

'check your proposal confirmation and your schedule, which sets out the information you have given us, carefully. ■ if you think there is a mistake, or if you need to make changes, you should tell us immediately. ■ if you don't give us correct information, or if you don't tell us about any changes: - your policy may be invalidated - we may reject your claim - we may not pay your claim in full.'

I think the term outlines the need for policyholders to notify UKI of any changes to the information they have provided. Having looked at the schedule I can see the address given was of X's home and not of the care homes he resided in.

UKI confirmed it wasn't made aware of X residing in care homes. And it was only at the point of the claim, it was informed X had resided there since October 2021.

In addition, under the general conditions section of the policy, it makes specific reference to notifying UKI to changes to a policyholder's address:

'You must tell us as soon as possible about any changes that could affect the level and/or cover of your insurance, eg: • you change the address where you normally live.'

I haven't seen any information from X that supports he told UKI, as soon as possible, about the change in his address.

The terms also outline the effect of not reporting any changes to UKI and those relate to either the claim not being paid in full, the policy may be invalidated or rejecting the claim (which is what happened here).

X indicated he read the policy terms, but despite this, I can't agree the terms were complied with. So, I'm persuaded UKI reasonably declined the claim, in line with the policy terms and conditions.

Finally, X has requested an increased amount of compensation. UKI paid £500 compensation for the delays in reporting the declined claim. I think UKI ought to have told X sooner about this and I think it's right for this error to be recognised. Taking everything into account, I consider the amount to be a fair and reasonable resolution to the part of X's complaint about the service given to him by UKI.

I acknowledge X's strength of feeling about this complaint. But, in the overall circumstances of it, I haven't seen enough evidence to show UKI acted unfairly or unreasonably when it declined his claim. And I think the amount of compensation offered for the delay was fair. So, I won't be asking UKI to do anything further here.

My final decision

For the reasons given, I don't uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 22 April 2024.

Ayisha Savage
Ombudsman