

The complaint

Mr P complains that Bastion Insurance Company Limited has unfairly declined a claim made on his insurance.

What happened

Mr P has a Landlords Property Care – Kitchen and Boiler insurance in place for a property he lets out. The policy was changed to a landlord policy with cover backdated after originally being taken out as a residential policy.

Mr P was provided with the policy documents when the policy was converted and asked to confirm that he had read these and was happy to proceed. Confirmation was provided and the policy was set up as it needed to be.

Mr P made a claim on his policy on 2 October 2023 to repair or replace a broken fridge at his rental property. An engineer was appointed who inspected the fridge and they explained it was broken due to an internal leak with the fridge evaporator which had resulted in the back being blown off and it could not be repaired. And it was deemed as beyond economical repair.

Bastion let Mr P know it was not able to cover his claim as the policy excluded damage if this was the result of a structural issue, including leaks caused by the failure of the structure.

Our investigator looked at this complaint and didn't think Bastion had made an unfair claim decision. She explained the policy is not an all-risk policy, so it doesn't cover all eventualities and she said Bastion was able to rely on any exclusions it set out. She was satisfied these were detailed in the policy booklet and that Bastion was entitled to rely on the exclusions within this.

Mr P disagreed; he didn't think it was acting fairly when relying on the exclusion. Our investigator reiterated why she had reached the opinion she had and why she didn't think Bastion needed to do anything else.

Mr P maintained that he still didn't think the outcome was fair and he asked for an ombudsman to review the complaint.

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 decided not to uphold this complaint for broadly the same reasons as our investigator and will explain why.

As our investigator explained, Mr P's policy has a number of things set out as exclusions with the cover. I appreciate the number of exclusions is fairly lengthy with around 2 pages of things set out within the 14-page policy booklet. But this is a landlord policy taken to insure items in Mr P's rental property and I'd expect him to be aware of what the policy does and

does not cover when deciding whether the policy is something he feels provides the cover he wants as a commercial customer.

The policy was taken out online, originally as a residential policy. But when Bastion changed this to the correct landlord policy, it sent Mr P the policy documents including the policy booklet which make up the terms and conditions of the policy. It asked that Mr P reads these and confirms if he wished to proceed with the insurance. Mr P agreed that he had and he wished to proceed with the insurance.

Not covering manufacture defects is not uncommon or unusual and I don't think Bastion needed to do more to highlight this exclusion to Mr P. As I've said, it provided him with information about the policy at the point of sale which was clear, fair and not misleading and Mr P was able to make an informed choice based on this as to whether he wanted to take out the policy.

When a claim was made the damage was identified as being the result of an internal leak. Mr P hasn't provided anything to show this isn't the cause of the damage and in the absence of this, I don't think Bastion has acted unfairly when relying on the engineer's report. This is something that is excluded from the cover under the policy and it follows, that I don't think Bastion has acted unfairly when declining the claim.

I appreciate Mr P will be disappointed with this outcome as he feels the policy should provide this level of cover, but I am satisfied it was set out what is and isn't covered and Bastion is fair to rely on this.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 July 2024.

Thomas Brissenden
Ombudsman