

The complaint

Mr H and Miss T are unhappy with the way esure Insurance Limited (esure) handled their accidental damage claim and the conflicting information it provided.

Mr H and Miss T jointly held contents insurance underwritten by esure. For ease of reading, I'll refer only to Miss T throughout my decision. Any reference to esure includes its agents.

What happened

The background to this complaint is well-known to both parties. So I've set out a summary of what I think are the key events.

Miss T's kitchen flooring was damaged while moving an appliance. She claimed under the policy and commented that she'd noticed mould underneath the flooring. esure treated the accidental damage claim as water damage, which attracted a higher excess. Once deducted from the claim amount, Miss T said the settlement would only be £140 (figures rounded for ease) which wouldn't pay for the replacement flooring.

When Miss T challenged esure's treatment of her claim as an escape of water, it agreed to reconsider it as accidental damage. However, esure said the flooring was glued down, making it part of the building rather than contents. As Miss T didn't have buildings insurance, esure declined the claim.

Miss T told esure that she rented the property unfurnished, with bare floors, and she'd bought the flooring and paid for fitting. She said it was only glued down in a few areas to hold it in place while being fitted. esure agreed to reconsider the claim if Miss T provided evidence of payment or a tenancy agreement showing she was responsible for the flooring. In the meantime, Miss T provided a quote of £1,500 for the replacement flooring.

On receipt of Miss T's confirmation from her landlord that she was responsible for the flooring, esure asked again for evidence of purchase. However, Miss T said she no longer used the account from which she'd paid, and she didn't have a receipt. She provided a photo of the flooring from when it was first fitted two years earlier, but esure refused to pay the claim until it had proof of purchase.

Miss T complained to esure about the way it handled her claim and its refusal to pay. She said she'd chased contact from esure each step of the way and it had failed to respond to her contact or claim within a reasonable timescale. She didn't think it was reasonable to have to provide proof of purchase given that the landlord had confirmed she was responsible for the flooring.

esure looked into the complaint and agreed that it hadn't handled matters as well as it should've done. In recognition of that, it offered £200 compensation. However, it remained of the view that it was entitled to seek proof of purchase before paying the claim. Miss T was unhappy with the response, so she brought her complaint to us.

One of our investigators looked at Miss T's complaint and agreed that esure hadn't treated

her fairly in the circumstances. She said its offer of compensation was fair in recognition of the claims handling, but she didn't think it was fair or reasonable for esure to require proof of purchase. That was because Miss T had shown she was responsible for the flooring and the remedial action would be the same regardless of whether she provided a receipt for the original purchase. Our investigator thought esure should reassess the claim on the remaining terms of the policy.

esure didn't agree. It said the policy allowed it to seek proof of purchase before settling a claim, and it provided details of the relevant policy wording.

The complaint was 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, I've decided to uphold Miss T's complaint for broadly the same reasons as our investigator. I'll explain.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. The evidence shows that esure didn't handle Miss T's claim promptly, and this is not disputed. esure offered £200 compensation in recognition of its failure to progress the claim as it should've done. Based on the delays and claim handling Miss T described, and shown in the evidence, I'm satisfied that esure's offer is a fair settlement of this part of her complaint. Given that esure has acknowledged its shortfall, and Miss T accepted the outcome proposed by our investigator, I see no benefit in commenting further on the delays.

Turning to the claim itself, I note that Miss T provided a quote for the replacement flooring, a photo of the original flooring shortly after it was laid, and evidence from her landlord that she is responsible for the flooring. She's been unable to obtain a copy of the original receipt or evidence that she paid.

esure doesn't think it needs to settle the claim until Miss T provides evidence of purchase, and it provided the following policy wording in support of its position:

How to make a claim

What you need to do:

- *We may require evidence of ownership and/or proof of purchase, such as receipts/valuations – photographs will also help Us to proceed with the claim*

General conditions that apply when making a claim:

- *to help Us process Your claim We may ask for information that is reasonably required to support the claim. We will only ask for information relevant to Your claim such as: documentation, written estimates, receipts, reports on the cause of damage, correspondence from other people, photographs, proof of ownership or value, valuations, crime reference numbers, details of other insurance policies, prepurchase surveys, user manuals, which are in Your or Your Household possession or easily obtainable.*

The policy sets out the detail of the contract between Miss T and esure, so it's reasonable

for esure to rely on it. The regulator's rules require esure to treat Miss T fairly, and sometimes this means a claim should be considered even where, on the face of it, the policy allows esure to decline. I think that's the case here. While Miss T can't provide proof of purchase, the flooring is in her home and available for esure to inspect. By inspecting the flooring, it would be able to satisfy itself of the type and quality, and that it's damaged as Miss T claimed. Therefore, I think esure can reasonably determine the validity of the claim.

Further to this, Miss T has shown that she is responsible for the flooring, and that means her landlord would expect her to have undamaged flooring in place when she vacates the property. Miss T has provided an explanation of how the flooring was damaged and evidence that she's responsible for replacing it. Therefore, whether or not she paid for it in the first place, she is liable for the replacement or repair cost of restoring the flooring to its previous condition. As such, I'm satisfied that esure should consider her claim.

To be clear, I'm not saying that esure must accept the claim - simply that it should assess Miss T's claim based on the policy wording without relying on the requirement for her to provide proof of purchase.

My final decision

For the reasons I've given, my final decision is that I uphold Mr H and Miss T's complaint, and esure Insurance Limited must:

- reconsider the claim in line with the policy without relying on the requirement for proof of purchase or ownership.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Miss T to accept or reject my decision before 20 September 2024.

Debra Vaughan
Ombudsman