

## **The complaint**

Ms W complains about how Admiral Insurance (Gibraltar) Limited (Admiral) declined a claim under her contents home insurance policy and cancelled her policy.

Admiral use agents to administer the policy and to assess claims. References to Admiral include these agents.

This decision covers Ms W's complaint to this Service about the actions of Admiral in declining a claim for damage to contents at her property and cancelling her policy on the grounds of her breaching the fraud condition in her policy. It doesn't cover the actions of another insurer in cancelling a policy previously held by Ms W, which Admiral became aware of while assessing Ms W's claim.

## **What happened**

In January 2023 Ms W contacted Admiral to tell them about damage to the ceiling and contents at her property. An upstairs neighbour's flat was undergoing renovation at the time and the damage to Ms W's ceiling (from a foot being put through it) allowed cement (and liquid screed) to come through and into a cupboard containing clothes, shoes and other items, damaging them.

Ms W said she would first seek to resolve the issue with her neighbour (and their contractor). However, Ms W contacted Admiral again in March 2023 to say the neighbour wouldn't admit liability for what happened, and the damage caused. So, Ms W made a claim under her policy. Admiral asked her to send them a list of the damaged items and proof of the damage.

However, when Ms W lodged details of the claim, Admiral said clothing wouldn't be covered, as the policy excluded accidental damage to clothing.

Unhappy at Admiral's decision to decline to cover the damage to her clothing, Ms W complained. But Admiral didn't uphold the complaint, saying they couldn't see any errors in the service provided. In their initial final response (March 2023) they referred to the policy wording and an exclusion for accidental damage to clothing.

But Admiral did subsequently say it would cover damage to shoes/boots, as they would be considered accessories. Ms W also challenged Admiral on the grounds she had made a claim previously that had been accepted. But Admiral said that was for damage caused by an escape of water (an insured peril) from a pipe or other system – liquid screed/cement wouldn't be considered to be an escape of water (it would only be considered under accidental damage).

Ms W then said she wanted to claim for the accessories she said were damaged in the incident. Admiral considered the claim, based on a schedule of items provided by Ms W with links to replacement items and costs. They asked Ms W to provide photographs of the damaged items (shoes/accessories). However, when they reviewed photographs provided by Ms W, Admiral had concerns about their validity and links to items claimed for under a previous claim. Admiral also had concerns about an earlier, undisclosed claim made under a

policy with another insurer and the subsequent avoidance (cancellation) of that policy. Because of these concerns, Admiral further investigated the claim.

As part of their further investigation, Admiral contacted Ms W by email in September 2023 requesting further information and responses to a series of questions. Further exchanges took place between Admiral and Ms W.

Admiral then wrote to Ms W in October 2023, repudiating the claim on the grounds she had breached the fraud condition of the policy. They raised several concerns about the evidence (the photographs) Ms W presented that she said showed damage to the shoes and accessories, including doubt that the shoes had been damaged (and in the way Ms W described). Because of their repudiation of the claim and the grounds for doing so, Admiral said they would cancel the policy from the date Ms W first contacted them to tell them about the damage (January 2023).

Ms W had been unhappy at the way in which Admiral had contacted her in September 2023, so she made a further complaint. In response to Ms W's complaint, Admiral issued a further final response (October 2023). They didn't uphold the complaint, concluding there were no errors in the service provided. While understanding her frustration at receiving the email, Admiral said every claim was subject to validation in order to confirm cover. If they felt information provided (by Ms W) didn't coincide with the details of the claim, they could raise further questions to support validation of the damage being claimed for. It was Ms W's responsibility (as the policyholder) to provide answers to the information requested. Admiral referred to the policy wording about fraud and misrepresentation.

Ms W then complained to this Service. She maintained the liquid screed from the flat above came through her ceiling and into her wardrobe, destroying a significant number of items of clothing, luggage and boots. She'd provided evidence to Admiral of the damage, including videos and offered to send some of the dried screed as further proof of the damage. She thought Admiral declining her claim was a serious breach of the policy terms and conditions. And they'd cancelled her policy, leaving her property uninsured. She'd lost £5,972 (the value of the damaged items) because of the decline of her claim. She maintained Admiral had falsely accused her of fabricating the claim. She wanted her claim accepted by Admiral and settled. She also wanted reimbursement of the premium she'd paid for the outstanding balance of the period covered by the policy.

Our investigator didn't uphold the complaint, concluding Admiral hadn't acted unfairly and didn't need to take any action. She noted what Admiral had said about a previous policy with another insurer being cancelled, although this wouldn't on its own indicate Ms W had acted fraudulently in her claim with Admiral. The investigator noted Admiral's view on what they felt were inconsistencies between the photographs provided by Ms W and what had happened in the incident, concluding Admiral hadn't been unreasonable in reaching their conclusion. And that the damage to the items wasn't apparent. So, Admiral had acted reasonably in declining Ms W's claim and cancelling her policy.

Ms W disagreed with the investigator's view and requested that an ombudsman review the complaint. She maintained her view the video she'd provided supported her view and she'd offered to send the pieces of concrete to Admiral. She also disputed that some of the photographic evidence had come from her, she thought it had had been made up by Admiral. And that 'shadows' on the shoes were in places impacted by the concrete. She also disputed the conclusion that the damage wasn't apparent in the photographs – she felt it was very obvious. She also maintained she hadn't had a previous insurance policy with the other insurer referred to by Admiral. But she acknowledged she had a previous policy cancelled for forgetting to tell the insurer about a previous claim with Admiral. She had also offered to provide proof of ownership of the items (receipts).

## **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.

My role here is to decide whether Admiral have acted fairly towards Ms W.

The key issue in the complaint is whether Admiral acted fairly in concluding Ms W had breached the policy fraud condition, leading them to decline her claim and cancel her policy. Ms W says they acted unfairly in doing so, maintaining her possessions were damaged in the incident. Admiral say the results of their investigation provide sufficient evidence to support their conclusion Ms W had breached the fraud condition and so they acted fairly when declining the claim and cancelling the policy.

Having considered carefully all the information and evidence in this case, from Ms W and Admiral, I've concluded Admiral have acted fairly towards Ms W in declining her claim and cancelling her policy. I know this will be disappointing to Ms W, so I'll set out the reasons for reaching this conclusion.

In considering this issue, I've first looked at Admiral's decline of that element of the claim relating to the clothing Ms W says was damaged in the incident. This was the subject of her first complaint to Admiral and their first final response issued in March 2023. When bringing her complaint to this Service, Ms W referred to a loss of £5,972 because of Admiral's decline of the claim. Looking at the schedule of items she claimed for, this only relates to shoes and boots – it doesn't relate to clothing (a separate list of items totalling £5,657 on the schedule).

In their final response of March 2023 confirming their decision not to cover the damage to Ms W's clothing, Admiral refer to the following policy wording (exclusion) under a page header 28. *Guide to your Home Insurance cover* and page heading *Section 2: Contents (cont.)*:

### ***"What is covered***

#### ***(III) Contents***

***Accidental damage to or loss of contents in your home".***

### ***What is not covered***

***Loss of or damage to food, drink, plants, corneal or contact lenses, money, securities, pedal cycles and clothing.***

***Loss or damage caused to the inside of watches and clocks."***

Looking at this wording, I think it makes clear the accidental damage section of the policy – the section under which Ms W's claim was considered – wouldn't cover damage to clothing. I've also noted what Admiral said about the incident not being considered to be an escape of water (a claim under which would have covered clothing). Looking at the policy document, it defines 'Accidental damage' as ***"Sudden, unexpected and visible loss or damage which has not been caused deliberately."*** I've concluded this would apply to the circumstances of the incident described by Ms W. So, it was reasonable for Admiral to consider the claim under this section of the policy.

Looking at the contents section of the policy, the list of insured perils (events) refers to 'Water escaping from any' fixed water tanks; water pipes; fixed central-heating system; or domestic appliance. So, this wouldn't include the incident that caused the damage (liquid screed/cement).

Taking these points together, I think Admiral acted fairly and reasonably in declining to cover any damage to clothes included as part of Ms W's claim.

Moving to the repudiation of the claim in October 2023, for breach of the fraud condition, in their further final response of October 2023, Admiral refer to the following wording under the *General Conditions of your Home Insurance cover* section of the policy:

***"9. Fraud and misrepresentation***

*You must always answer our questions honestly and provide true and accurate information. If you, any other insured person, or anyone acting on your behalf, provides:*

- false, incomplete, exaggerated or misleading information, or*
- false, altered, forged or stolen documents,*

*we will do one or more of the following things:*

- Change your policy to show the correct information, and change the premium accordingly*
- Cancel your policy immediately*
- Declare your policy void*
- Refuse to pay any claim or only pay part of a claim*
- Keep the premium you have paid*
- Recover any costs from you or any other insured person*
- Cancel or void any other...policies you are connected with."*

I've then considered the evidence and information relevant to the case and the differing versions of the damage (to the shoes, accessories and luggage) and likely cause. Including the results of Admiral's investigation.

In doing so, it's important to note my role isn't to determine whether Ms W acted fraudulently – it's to decide whether Admiral acted fairly and reasonably in repudiating the claim (and cancelling the policy) on the grounds they concluded Ms W had breached the fraud condition set out above.

Looking at the sequence of events Admiral raised concerns with Ms W, seeking responses and further information and explanations. I can appreciate Ms W feeling concerned at this (her second complaint and Admiral's second final response) but insurers are able to validate claims received and to seek information and explanations in doing so. So, I don't think it was unreasonable of Admiral to seek further information and responses from Ms W when assessing and validating her claim.

Turning to the investigations, in particular the concerns raised in their email of September 2023 and subsequent decline of the claim and cancellation of the policy in October 2023, I've looked carefully at the points Admiral raised.

Ms W maintains she hadn't had a previous insurance policy with the other insurer referred to by Admiral. But she acknowledged she had a previous policy cancelled. However, I can see Admiral contacted the other insurer and obtained information about the circumstances of a

previous claim with the insurer. Admiral say the circumstances suggest Ms W attempted to commit insurance fraud before, raising concerns over her credibility and reliability of the claim presented to them. I don't think this is unreasonable – although I haven't taken this into account when reaching my decision, which is based on the specific evidence and information in this case about the claim made by Ms W under her policy with Admiral.

In their declination letter in October 2023, Admiral say the evidence from their investigation of Ms W's claim leads them to conclude Ms W fabricated the damage she was claiming for. Specifically, on the basis of inconsistencies from the photographs provided by Ms W of the damaged items.

Admiral refer to several issues, including shadows cast by the areas of damage suggest the screed (liquid cement) hadn't dried onto the shoes – but placed on top of them. Second, sharp and straight edges of the screed indicate it had dried before making contact with the shoes. Third, the same pieces of screed appear on different shoes, which Admiral say indicates its removal from one shoe and being placed on the next to indicate damage. Admiral also refer to Ms W's responses to these issues and further photographs provided of the screed and the shoes together, saying they indicate the shoes weren't damaged as Ms W claims. In particular, they couldn't have been damaged by liquid screed falling (dripping) onto them.

I've considered these points carefully, together with the points made by Ms W. The latter includes a video of pieces of screed and the points made by her, both in response to Admiral during their assessment of the claim and when making her complaint to this Service. As I've said, my role isn't to decide whether Ms W breached to fraud condition, but whether Admiral acted fairly and reasonably in applying it to decline the claim and cancel the policy.

Based on what I've seen, I've concluded Admiral's views to be more persuasive, particularly the likely impact of liquid screed on the items. The photographs of the shoes show pieces of screed with straight, sharp edges, which I think reasonable for Admiral to conclude they were dry when photographed, and likely placed on the shoes. And pieces do appear the same, or very similar on several individual shoes. And the photograph of the shoes together doesn't appear to show obvious damage.

Ms W says she thinks Admiral made up some of the photographs, but I've seen no evidence to support this view or that the photographs weren't provided by Ms W.

Ms W also says she offered to send Admiral pieces of the screed and proof of ownership of the items (receipts). However, I don't think these would change the decision reached by Admiral, as the issues weren't with the existence of the screed (the photographs and video from Ms W show that) or the ownership of the items included in her claim – it was doubt over the damage to the items in the way described by Ms W.

As I've said earlier, my role here is to decide whether Admiral acted fairly and reasonably towards Ms W in their decline of her claim and cancelling her policy. Based on the points above, then I've concluded they acted fairly and reasonably in declining Ms W's claim on the basis she breached the policy fraud condition. As such, Admiral also declined the other elements of the claim (including the luggage Ms W said was damaged). In the circumstances, I think this was reasonable.

The fraud condition wording also provides for Admiral to cancel the policy in these circumstances, which Admiral did from the date Ms W first made her claim (which they considered to be the point at which she made the fraudulent claim) and retain the premiums paid. So, I've also concluded Admiral acted fairly in cancelling the policy.

**My final decision**

For the reasons set out above, it's my final decision not to uphold Ms W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 10 October 2024.

Paul King  
**Ombudsman**