

The complaint

Mr T has complained that One Insurance Limited (One Insurance) unfairly declined a claim under an accidental damage policy.

What happened

Mr T contacted One Insurance to make a claim for accidental damage when water spilled on to a carpet. After requesting various documents and details, One Insurance declined the claim because it said Mr T hadn't shown he owned the item.

When Mr T complained, One Insurance maintained its decision to decline the claim because he hadn't provided suitable evidence. However, it offered £200 compensation because of issues with it following up on the claim when it was initially reported.

Mr T wasn't satisfied with this answer. So, he complained to this Service. Our Investigator upheld the complaint. He said One Insurance had initially incorrectly told Mr T to claim through his main Contents policy. When Mr T went back to One Insurance, it then took a while to request photos from him so it could review the claim. After some chasing from Mr T, One Insurance declined the claim because it said he didn't have proof of purchase and was unable to show he owned the item. Mr T had explained that he had bought the carpet from a previous tenant over four years earlier. So, it was unreasonable for One Insurance to expect him to have a proof of purchase. He said it could have requested other forms of proof, such as evidence from the landlord, which Mr T was able to provide. Our Investigator said One Insurance should reconsider the claim in line with the remaining policy terms and that the compensation already offered was appropriate in the circumstances. Our Investigator also provided One Insurance with the evidence from the landlord.

One Insurance didn't accept that the letter from the landlord was enough to show Mr T owned the carpet. It said it only showed that the landlord wasn't responsible for the carpet. It said the carpet might have been left by the previous tenant without any direct purchase. As the terms said it would require proof of purchase in some cases, there were reasonable grounds to reject the claim. So, the complaint was referred to me.

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 uphold this complaint. I will explain why.

When One Insurance responded to the complaint, it gave two main reasons for declining the claim. The first was:

"The representative had requested further from you and I understand that you had outlined that the carpets had been in the property since you had moved in. The representative outlined that we would be unable to cover items that you do not own, as per the policy wording which I have included an extract from below."

It then quoted a part of the policy documents that said:

"Items that the policy holder does not own themselves or not owned by someone living within the household."

I've read the policy booklet and the only place I found that wording was in a section headed "We will not pay for" and then a subheading "1- Home Entertainment Equipment". It then listed the exclusions for home entertainment claims, which included the wording about the policyholder needing to own the item. Given this was a claim for a carpet, this wording wasn't relevant to Mr T's claim. So, I think it was unfair for One Insurance to keep asking Mr T to show he owned the carpet because of this wording or for it to rely on this exclusion to decline the claim for the damaged carpet.

One Insurance also said:

"However, I understand that you had outlined that you did in fact own the carpet and that this had been purchased from the previous tenant. The representative had requested proof of ownership of this however you had outlined that you did not have this. As a result, the claim had not been able to proceed."

"Within the policy wording, we do outline that you may need to produce proof of purchase. I have included an extract from the policy wording below."

It quoted policy wording that said:

"You will need to provide details of everything that has been damaged and we may ask for receipts or proof of purchase in some cases."

I note this wording suggests there is discretion that can be applied under the policy about whether proof of purchase would be requested. I also think there are circumstances where it isn't possible or practical to provide proof of purchase, such as when an item is a gift. I would also expect an insurer to ensure it treats a policyholder fairly and doesn't put unreasonable barriers in the way of making a claim.

When One Insurance responded to our Investigator's findings, it said it didn't agree with his findings because the carpet might have been left by the previous tenant without any direct purchase. That isn't what Mr T said happened. But, even if it was left by the previous tenant, I'm not clear why this is relevant. Mr T has lived at the property for several years and the previous tenant no longer lives there. Mr T's landlord provided a letter, which One Insurance has seen, that said "I do not accept any responsibility for any issues regarding the carpet/ underlay in question within my property which was purchased and laid by my tenants...". So, I think it's reasonable to say that the landlord has, in effect, said the carpet is the responsibility of the tenants, in this case Mr T.

Putting things right

As a result, I think One Insurance should consider the claim based on the remaining terms of the policy and on the basis that Mr T is responsible for the carpet. I've also thought about compensation. One Insurance offered Mr T £200 compensation for the issues with how it handled the claim, including directing him to another insurer at one stage and delays in reviewing the claim. Having thought about the full circumstances of this complaint, I think £200 remains fair. One Insurance should pay Mr T the compensation if it hasn't already done so.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require One Insurance Limited:

- Consider the claim based on the remaining terms of the policy and on the basis that Mr T was responsible for the carpet.
- Pay Mr T the £200 compensation if offered, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 October 2024.

Louise O'Sullivan
Ombudsman