

## **The complaint**

Mr P and Ms S complain that Great Lakes Insurance SE unfairly declined a claim they made on their property insurance policy.

Reference to Great Lakes includes its agents.

## **What happened**

Mr P and Ms S hold a property insurance policy with Great Lakes. They decided to let their property out to professional tenants but after concerns with how they were treating the property, the tenants ultimately left.

Mr P and Ms S were surprised to see the state the property was left in and put a claim in for the damage to Great Lakes.

Great Lakes declined the vast majority of the claim. It said the damage wasn't caused maliciously, nor could it be deemed accidental damage. It said the damage was more wear and tear – admittedly much heavier than normal – caused by the tenants and their lack of care for the property. But it did offer a payment for a damaged carpet.

Mr P and Ms S weren't happy with this and complained. They also complained about the service provided throughout the claim journey.

Great Lakes didn't change its stance but offered £250 compensation for the service provided throughout the claim. Remaining unhappy, Mr P and Ms S brought their complaint here.

One of our Investigators didn't recommend it be upheld. They thought Great Lakes was fairly acting within the policy when declining the claim as neither malicious nor accidental damage. They thought the carpet was accepted as part of the claim – so thought Mr P and Ms S should be able to provide three quotes for the work and Great Lakes settle based on those quotes. They thought the compensation of £250 was fair and reasonable.

Mr P and Ms S didn't agree and asked for an Ombudsman's decision. They say the tenant was only in for 11 months so it's not reasonable the damage is deemed wear and tear. And they say the tenant was told about using the shower properly and clearly ignored this instruction.

## **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'm not upholding it. I'll explain why.

- Mr P and Ms S are covered for damage caused maliciously by their tenants, or accidental damage.

- From everything I've seen I think the damage is fairly deemed to be non – malicious by Great Lakes. Malicious isn't defined, but a reasonable dictionary definition is something done with the intent to cause harm. There's no evidence this is the case with the damage claimed for. I appreciate what Mr P and Ms S say about the shower room, but if their instructions were ignored, this doesn't mean the tenants intended to cause damage to the property.
- I also think – with the exception of the carpet - it's fair to say the damage isn't accidental, on the basis it's been caused gradually over time, something the policy excludes cover for – albeit a relatively short 11-month period.
- I think, like Great Lakes has said the damage has been caused by a general lack of care demonstrated by the tenants. I can understand completely why Mr P and Ms S aren't happy, but I'm not persuaded their policy provides cover for this damage.
- Like our Investigator, I think it reasonable, should Mr P and Ms S want, to provide three quotes for the carpet and for Great Lakes to settle that aspect of the complaint based on those quotes. Alternatively, Mr P and Ms S can accept the £1,600 less the policy excess already offered to settle this aspect.
- Great Lakes has offered £250 compensation for the service provided throughout this claim. I think that's reasonable. There were delays and missed updates which would have frustrated Mr P and Ms S unnecessarily, at an already frustrating time for them.

### **My final decision**

My final decision is that I uphold this complaint. Great Lakes Insurance SE needs to

- Allow Mr P and Ms S to submit three quotes for the carpet and settle based on those quotes, or if Mr P and Ms S prefer, pay £1,600 minus the policy excess as previously offered
- Pay £250 compensation for the service provided throughout the claim if this hasn't already been paid

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Ms S to accept or reject my decision before 6 December 2024.

Joe Thornley  
**Ombudsman**