

The complaint

Mr M is unhappy Travelers Insurance Company Limited (Travelers) declined a claim made under his commercial property insurance policy.

Any references to Travelers include their agents.

What happened

In August 2023 there was an escape of water from a pipe under the bath and under some wall tiles along the edge of the bath in a property Mr M owns. Mr M contacted Travelers to make a claim and they instructed a loss adjuster. Mr M says the loss adjuster asked for documents unrelated to the claim, so he made a complaint.

Travelers responded in November 2023. They said the documents requested included the tenancy agreement and details of when the sealant had last been applied around the bath and shower tray, amongst others. Travelers said they considered the request reasonable to consider the claim and Mr M needed to provide these to show the damage hadn't occurred gradually. Travelers said liability would not be accepted until the documents were received.

Unhappy with Travelers' response Mr M referred his complaint to the Financial Ombudsman Service. He said this matter had cost him in the region several thousand pounds and caused severe anxiety. To put things right, Mr M said Travelers should pay him £5,000 compensation and accept liability for the damage and carry out the necessary repairs.

Mr M's concerns were considered by one of our investigators who said Travelers hadn't acted unfairly and were entitled to ask for information to ensure they were assessing claims fairly. She considered the information requested reasonable and didn't conclude Travelers needed to do anything more to put things right for Mr M.

Mr M didn't agree and said he considered Traveler's actions breached the Insurance Act 2015 for the reasons he had set out. So, this matter has been 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.

Industry rules set by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr M's complaint.

I think it's important to set out here that it's not my place to stand in the place of the insurer and decide how the claim should be settled. Mr M has made a number of comments about the Insurance Act 2015 and how he considers Travelers' actions are not in accordance with the Act he's referenced to.

My role is to decide if Travelers have acted fairly. And, on balance, I'm satisfied they have, and I'll explain why. I've started by considering the policy terms, and specifically the ones set out below:

"The insured if required by the Company shall... give the Company all information and assistance..."

Travelers has asked for information to help them determine whether the damage to the property is covered by the policy. This information included tenancy agreements and details of inspections and maintenance carried out, to help determine if the damage caused is something covered by the policy or has occurred gradually.

Mr M has mentioned several sections of the Insurance Act 2015 and implied the requests from Travelers means they're not complying with the Act. I don't agree with Mr M, and I don't consider Travelers requests were unreasonable or unusual in the circumstances, I think they are a genuine attempt to understand how the property has been maintained to fully consider if the policy provides cover for the damage to the flat. And from what I've seen, the information requested is consistent with requests made by other insurers in similar circumstances. I'd also say I'm satisfied the explanations provided to Mr M about what information was required and why this was needed were sufficiently clear.

Mr M raised concerns the decision on his claim was made by an organisation that wasn't authorised. However, it's not unusual for an insurer to appoint a loss adjuster to carry out the necessary steps to assess a claim and arrange repairs. This can also include giving an outcome on a claim. I don't agree Travelers have acted unreasonably by appointing a loss adjuster.

The assessment of the cause of the damage by the loss adjuster was that the grout and seals were allowing water to escape as they hadn't been maintained and the damage occurred over a long period of time. Based on the information available to them at the time they considered the claim, including an inspection of the property, I don't consider the conclusion unreasonable.

In summary, while I understand Mr M feels he's been treated unfairly, I don't agree. I'm satisfied the documentation Travelers asked him to provide was reasonable in the circumstances of this claim, and the decision to decline the claim was fair, based on the loss adjuster's conclusion the damage had occurred gradually over a long time. As I haven't concluded Travelers has acted unfairly in declining the claim, I'm not going to require them to take any further action to put things right or pay Mr M the compensation he's asked for.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2025.

Emma Hawkins
Ombudsman