

The complaint

Mr G complains about Astrenska Insurance Limited's ("Astrenska") decision to decline his claim under his home excess protection insurance policy.

What happened

Mr G says he took out a home insurance policy through a comparison site and was offered a free policy which covered his policy excess. Mr G made a claim under his home insurance policy after damage was caused to his window as a result of it being struck by two birds. The claim was settled by his home insurer but was subject to an excess of £200. Mr G says he then made a claim for his excess, but this was declined on the basis that the home insurance claim related to accidental damage, which was excluded under the policy. So, Mr G complained.

Astrenska responded and explained they understood the incident had been recorded by Mr G's home insurer as accidental damage. They referred to the excess protection policy terms and conditions and said this excluded a claim for the excess towards any claim for accidental loss or damage, so the decision to decline the claim was correct.

After considering all of the evidence, I issued a provisional decision on this complaint to Mr G and Astrenska on 5 December 2024. In my provisional decision I said as follows:

"My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute.

The policy Mr G took out is called 'Home excess protection excluding accidental loss or damage', - so both this and the exclusion section of the policy make it clear that accidental loss or damage is excluded. There doesn't appear to be any dispute between the parties about this. What's in dispute is Astrenska's decision to treat the cause of the home insurance claim as accidental damage.

The policy defines a claim as, "An incident covered under your home insurance policy arising as a result of an insured peril under your home insurance policy excluding any claims made for accidental loss or damage." The policy defines accidental loss or damage as, "Sudden and unexpected damage to your home or contents, including loss of function, by an external force and which is not deliberate. Examples of accidental loss or damage include: spillages on the carpet, breakages around the home, drilling through hidden pipes and/or unexpected loss of insured items such as losing an insured item away from home."

Astrenska say the key terms from the definition they've used when considering Mr G's claim are 'sudden and unexpected damage' and 'by an external force and which is not deliberate'. Looking at the circumstances which caused the damage, and as described by Mr G when making his claim, I believe it's reasonable for Astrenska to take the view it was sudden and unexpected damage caused by an external force

which wasn't deliberate. That being the case, I think Astrenska have fairly declined the claim in line with the policy terms and conditions.

I can see Mr G says he didn't have cover for accidental damage under his home insurance policy, and he has provided a copy of his policy summary which supports this. Mr G has also provided a letter from his home insurer confirming they settled his claim and that the circumstances meant the peril for his claim fell under 'damage to your property caused by moving objects'. On this basis, Mr G doesn't believe it's fair for Astrenska to apply the exclusion of accidental damage.

I do acknowledge the points made by Mr G but, as the underwriter of the excess protection policy, it's for Astrenska to apply their own policy terms and conditions, and the definitions, to the claim. Even though Mr G's home insurer might've considered his claim under a section which didn't make reference to the term 'accidental damage' it's for Astrenska to consider the circumstances and decide whether those fall within their definition of accidental damage. And, as I've mentioned, I can't say they've acted unreasonably in taking the view the circumstances of Mr G's claim related to a home insurance claim where there was sudden and unexpected damage, caused by an external force which wasn't deliberate.

Mr G also makes the point that the examples Astrenska have given as part of their definition of 'accidental loss or damage' involve events where a policyholder has accidentally caused the damage. Mr G says the circumstances of his claim don't involve any accidental damage caused by him, so he believes Astrenska are unfairly applying the term 'accidental' too widely. Astrenska say it's important, when looking at coverage under a policy, to consider the document as a whole. They say the definitions themselves do not confirm areas of coverage or exclusions, but more what is meant when they're defining certain terms. They say, in addition, the policy cannot advise on every and all events and, therefore, the examples are some of those which are considered to be the most common accidental damage reasons.

I have carefully considered Mr G's points. The Insurance Conduct of Business Sourcebook ("ICOBS"), under ICOBS: 2.2.2 R requires information from a business to be clear, fair and not misleading. Where policy terms and conditions are open to differing, yet reasonable, interpretations, I would look favourably on the party that hasn't drafted the wording. In this case, I don't believe Astrenska's use of the term 'accidental' is unfair or unreasonably wide and I don't think their definition is an unreasonable interpretation of the term as it's consistent with the ordinary, everyday meaning of the term. Also, given what I've said above about the key terms within the definition, I don't believe the wording of the definition is ambiguous.

That said, I do think there has been an error by Astrenska in their claims handling. The information shows Mr G reported the accident circumstances to Astrenska and provided information including his home insurance policy schedule and evidence of the excess paid. Astrenska then asked for one item of correspondence from Mr G's home insurer which contained the date of the incident. They said, "This is required to validate your excess claim." and "Once we have received your documents, we will be in touch shortly to progress your claim."

Mr G provided this, following which Astrenska emailed Mr G and said, "In order to arrange for the money to be transferred directly into your bank account, can you please kindly provide written confirmation of your bank details to complete the transfer of funds." Mr G provided this in writing and, following a request from Astrenska, he confirmed his bank details verbally also. Mr G then chased around a

week later to ask about payment of the claim, and Astrenska then declined the claim a week later.

Taking this into account, I think Astrenska have mismanaged Mr G's expectations here. The information shows Mr G was clear in his description of the incident and he also provided all information Astrenska had asked for in order to validate his claim. So, at the point Astrenska then asked for details of Mr G's bank account, I don't believe Mr G was left in any doubt that all investigation and validation had taken place and Astrenska would be settling his claim. That didn't happen and, while I've already mentioned above why I don't believe their decision was unfair, I can't see Astrenska based their decision on any information which wasn't already available to them at the point they requested Mr G's bank details to pay the settlement amount.

So, I think there has been upset and frustration caused to Mr G as well as inconvenience in having to send details of his bank account, and a follow up call to confirm these details – when this later proved to be unnecessary. And also having to chase Astrenska for payment a week after providing these details. Given that Mr G was left with the impression that his claim would be settled for a period of around three weeks, I think Astrenska should pay compensation of £150.”

So, subject to any further comments from Mr G or Astrenska, my provisional decision was that I was minded to uphold this complaint and require Astrenska to pay compensation.

Following my provisional decision, Mr G has responded to say he accepts the decision. Astrenska have responded to say they disagree with the decision. They say while they do recognise a small error during the claim process, this hasn't been raised as part of Mr G's complaint. They say Mr G's complaint related to the claim declinature only, and not about his expectations being mismanaged – and on this basis, they say I've considered a complaint which hasn't been made. Astrenska also say the compensation of £150 is too high and the “small” mismanagement of expectations doesn't fall under the bracket of awards between £100 to £300. They say this concern wasn't raised with them at any point and also didn't require reasonable effort to sort out. Astrenska say on this basis, the redress bracket this should've fallen under is an apology or compensation up to £100, if it was to be offered.

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 see no reason to depart from my provisional decision. So, I've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

I acknowledge Astrenska's point about the issue relating to mismanaging Mr G's expectations not being raised with them. But I feel it's fair in the circumstances for me to consider this. I say this for a number of reasons. Firstly, in the complaint form submitted by Mr G to our service, he does make reference to Astrenska accepting his claim, asking for his bank details, being informed the matter would be passed to a department for payment, only to then be informed his claim was declined. So, I'm satisfied Mr G has raised this with our service as part of his complaint.

Secondly, the role of our service is to look at what we feel a business should have looked at when dealing with a complaint. We can therefore, as part of our inquisitorial remit, look beyond what a business has and can look at the whole picture. In this case, while the crux of the complaint is about the claim declinature, I don't believe the issue about the mismanagement of expectations is far removed from the substance of this complaint. This

issue came about as part of the claims process and caused upset and frustration to Mr G when being informed his claim was accepted, to then being informed his claim was declined. Thirdly, I issued a provisional decision to not only set out my findings in respect of this issue, but also to allow both parties an opportunity to provide any comments – so I think Astrenska have been given a fair opportunity to make representations.

I've taken into account Astrenska's comments on the compensation award, but I'm still persuaded £150 is reasonable in the circumstances. I've already mentioned above that Mr G has raised this issue in his complaint form so it's clear it's something he's concerned about. And, in this case, it wasn't just one single incident which mismanaged Mr G's expectations. There was the initial assurance about progressing his claim on receipt of the requested documents, followed by a request for his bank details in writing, and then followed by a request to provide these details over the phone. In relation to providing his bank details, this was to enable Astrenska to make payment. So it's clear Mr G was left in no doubt that Astrenska would be settling his claim. So, I do believe £150 is fair and reasonable in the circumstances here for the upset, frustration and inconvenience I've referred to in my decision.

I wish to reassure Astrenska I've read and considered everything they've sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Putting things right

I've taken the view that Astrenska have made an error in their claims handling. So, Astrenska should pay Mr G £150 compensation for the upset, frustration and inconvenience caused.

My final decision

My final decision is that I uphold the complaint. Astrenska Insurance Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 January 2025.

Paviter Dhaddy
Ombudsman