

The complaint

Mr D and Mrs D have complained that Highway Insurance Company Limited (Highway) unfairly declined a claim under their home insurance policy.

What happened

Mr D and Mrs D were abroad when their home was burgled. They contacted Highway to make a claim and it was agreed that Mr D and Mrs D would provide further details when they returned home in a few weeks' time. While Mr D and Mrs D were still away, Highway reviewed the claim and declined it because the property was unoccupied, which it said meant there was no cover for theft at that time. Mr D and Mrs D responded and explained that their neighbour was keeping an eye on the property and the neighbours' guests had stayed at the property at one point.

Highway reviewed the claim again, including speaking to the neighbour. It continued to decline the claim. When Mr D and Mrs D complained, Highway maintained its decision to decline the claim because the property was unoccupied.

So, Mr D and Mrs D complained to this Service. Our Investigator didn't uphold the complaint. He said it wasn't in dispute that the property had been burgled. However, the property was unoccupied at the time, which the policy documents explained meant there was no cover for theft. He said it was fair for Highway to decline the claim.

Mr D and Mrs D didn't agree. They said their neighbour was like family to them and they had no family in the UK who could have taken care of the property. They said the property wasn't unoccupied. 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.

The policy said it provided cover for theft, but had an exclusion that said, it couldn't cover this *"[l]oss or damage occurring during any period when the home is unoccupied for longer than the permitted period of unoccupancy"*.

The policy said *"unoccupied"*:

"Means when either:

- i) the home will not be lived in or;*
- ii) there is not enough furniture within the home for normal living purposes."*

In a section headed *"Occupancy"*, it explained this meant:

"- all members of the household are relatives of you or the second policyholder

...

- your property is not left unoccupied for more than 45 days in a row"

It's my understanding it isn't in dispute that Mr D and Mrs D's home was burgled. The issue is whether there was cover for theft at the time of the burglary. Mr D and Mrs D told Highway that they were away from 11 November 2023 and were due to return home on 3 March 2024. The burglary happened around 13 January 2024 and was reported to Highway about a week later. So, this indicated that the property had been unoccupied for more than 45 days at the time of the burglary.

Mr D and Mrs D have said their neighbour was keeping an eye on the property and that their neighbour was like family to them. They have also said the neighbour's family members briefly stayed at Mr D and Mrs D's property for a wedding at one point. I've seen some messages exchanged between Mr D and Mrs D and their neighbour that indicated the neighbour's relatives visit was towards the end of November 2023. So, this would suggest that this wasn't within 45 days of the date of the burglary. However, even if it was, the policy explained that those occupying the property needed to be relatives of Mr D or Mrs D. The neighbours and their guests or family members weren't Mr D and Mrs D's relatives, even if they regarded their neighbour as being like family. So, I think it was fair for Highway to say that the neighbour checking on the property, or their guests briefly staying at the property, didn't mean the property was occupied.

I also don't consider it unusual for a policy to have terms that relate to unoccupancy and for cover to be reduced or removed where a property is unoccupied for more than a specified period. I think the conditions of occupancy and unoccupancy were clearly explained in the policy. The policy also said the policyholder should contact Highway if there was a change in circumstances that might affect the policy. It also explained the potential consequences of not doing so, one of which was the refusal of a claim.

So having carefully considered what happened, I think it was reasonable for Highway to decline the claim. As a result, I don't uphold this complaint or require Highway to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 14 March 2025.

Louise O'Sullivan
Ombudsman