

The complaint

Mrs I complains that Royal & Sun Alliance Insurance Limited (“RSA”) rejected a claim on her home buildings and contents insurance policy and said the policy was void.

What happened

Mrs I made a claim on her home insurance in April 2023 following an escape of water that caused damage to the property and some of the contents. RSA appointed an investigator to deal with the claim. In May, a report said the water had leaked from a ruptured hose, caused by a manufacturing fault. Mrs I was asked to provide details of the contents she wished to claim for.

In July 2023 Mrs I provided a list of contents. She then complained about how long RSA was taking to deal with the claim.

RSA’s investigators took photographs of the damaged contents at the end of July 2023. They returned in August to take some more photographs. There was then correspondence with Mrs I about a leather jacket and another item, which RSA said appeared to be the same as items that had been claimed for as part of a previous claim. RSA was satisfied the other item had not been claimed for previously, but said the jacket was the same as a jacket claimed for previously. In January 2024, RSA wrote to say the claim would be declined and the policy void as from 26 July 2023, because it was fraudulent.

Mrs I complained about the way the claim was handled, including about delays reaching a decision, and about the decision to decline the claim. RSA issued two final response letters. Amongst other things, it said:

- It wasn’t responsible for repairing the leak itself and had advised Mrs I to deal with that and take action to mitigate any loss.
- It hadn’t identified the need for alternative accommodation immediately (given the size of the house) but once it was identified, had dealt with this in two days.
- There was only one jacket when their investigator visited to take photographs and this was the same jacket as one claimed for previously.
- It had investigated the claim carefully and was confident the item claimed for was the same as one in the previous claim, so this was a fraudulent claim.

Our investigator said Mrs I had provided a plausible explanation about the jacket, so she didn’t think it was fair for RSA to treat this as a fraudulent claim. She asked RSA to reinstate the policy and deal with the claim. She thought there had been some delay and RSA should compensate Mrs I for the distress caused by this.

RSA disagreed and provided further comments, including from the forensic investigator, who said the jacket claimed for was the same as one that had been claimed for in the earlier claim.

The investigator didn’t change their view, so RSA requested an ombudsman’s decision.

I issued a provisional decision saying I did not intend to uphold the complaint. I set out my reasons as follows:

My provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting point for consideration is the policy terms. RSA has relied on the following term in the policy to decline the claim:

If your family, or anyone acting on behalf of you or your family, uses dishonesty, exaggeration or false documentation to obtain or support:

- *a claims payment under your policy, or*
- *cover for which you do not qualify, or*
- *cover at a reduced premium*

all benefits under this policy will be lost, the policy may be invalid, you may not be entitled to have your premium refunded, and legal action may be taken against you.

I've also considered the relevant law – the Insurance Act 2015. This says if a claim is false or exaggerated, it's fraudulent. The insurer doesn't have to pay the claim, and may cancel the policy from the date of the fraudulent act and keep the premium.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim. I've considered whether RSA has dealt with the claim fairly, taking into account the policy terms and relevant law set out above.

RSA says the claim is fraudulent because Mrs I has claimed for something she wasn't entitled to claim for – a jacket that had been included in a previous insurance claim. That's the crux of the matter; whether it's fair for RSA to conclude this was the same jacket.

RSA refers to photographs taken of the jacket in this claim and some taken of the same jacket in the previous claim in 2020, and has pointed out the similarities between them. It provided a report from a forensic investigator who said the photographs were "*strikingly similar*" and almost certainly of the same jacket; he said the similarities would be very unlikely to occur in such a similar manner on different jackets.

There are three sets of photographs – the first were from the previous claim in 2020; the second were taken at the end of July 2023, and the third in late August 2023. They all look the same, except that in the third set of photographs the jacket has mould on it.

Mrs I has provided an explanation of what happened. She says:

- there were two jackets that were the same; one belonged to a relative and had been claimed for in 2020, the other belonged to her husband and was damaged in this incident;
- the photographs taken in July 2023 were of the jacket she claimed for;
- the jacket that had been claimed for previously had been left in a bin bag in the garage and when the investigators returned to take further photographs in August 2023, this was the jacket that was mistakenly photographed.

I've considered this and while it does offer an explanation, I'm not persuaded by it. She hasn't been able to produce the two jackets, to confirm there are two and allow them to be compared. And the report from the forensic investigator indicates the mouldy jacket is the

same as the other one.

Mrs I says the mouldy jacket is different – it couldn't have got covered in mould in just a few weeks between the two sets of photographs being taken, and this happened because it had been left in the garage for several years. While that's possible, it's also likely that a damp jacket left in a bag in a garage for over a month would become mouldy.

I've considered Mrs I's explanation but, having weighed that against the photographs themselves and the comments from the forensic investigator, I'm satisfied it was fair for RSA to conclude the jacket being claimed for is the same jacket that had been included in the previous claim. And on that basis, it was fair to decline the claim and cancel the policy.

RSA referred to the policy being void. That would mean treating it as if it had never been in existence. That isn't the case here – RSA said it would be terminated from July 2023. Although the terminology may not have been entirely accurate, it was entitled under the policy terms and the Insurance Act to treat the policy as terminated from that date.

It did take some time to deal with the claim and provide a decision to Mrs I. Once RSA had the information it needed, it could have made its decision more quickly. But ultimately, it was entitled to make the decision that it did. I appreciate how difficult this is for Mrs I. She's adamant there was no intention to make a fraudulent claim and the consequences of this are serious for her. But, for the reasons given, I think RSA's decision was fair, based on the evidence it had.

Replies to the provisional decision

RSA has not provided any further comments in reply to the provisional decision.

Mrs I has provided detailed comments. I won't set them out in full, but they include:

- RSA's report relied too heavily on images that had been highlighted or cropped, and was not sufficiently independent.
- She has provided further comments on the photographs, together with comments from experts showing the photographs do not confirm they are of the same jacket.
- She has not been provided with evidence showing the jacket she claimed for, which was photographed on 26 July 2023, is the same as the mouldy jacket. The mouldy jacket was not part of her claim.
- All the items photographed on 26 July 2023 had been damaged by water in April. They were stored in bin liners in the garden. None of them showed signs of mould three months later in July. It's not reasonable to say the jacket would have become so mouldy in one month, when it had not become mouldy in the previous three months.
- RSA's representative has admitted he removed the mouldy jacket and says he left it outside. She's never been able to find that jacket, or the one she left out for him to photograph. She believes he removed them both, so her claim would be dismissed.
- The leather jacket and hair straightener, which were part of her relative's claim in 2020, were put in a black bin liner and left in the garage, awaiting the insurer's response and were then forgotten about.

In addition, Mrs I has now provided fresh evidence, including a forensic report. The conclusions of this report differ from the report obtained by RSA, and the report says the photographs provided by RSA are not sufficient to confirm it is the same jacket in all of the images.

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.

Mrs I has referred to how long the claim continued, and that the buildings element of the claim has not been dealt with. As RSA declined the claim and terminated the policy, no part of the claim would be covered.

I've reviewed whether it was fair for RSA to make that decision, following the further submissions from Mrs I.

Her complaint was about the decision RSA made in January 2024 to decline her claim. That decision was based on the evidence available at the time, including a forensic report obtained by RSA.

In my provisional decision I considered whether it was reasonable for RSA to reach the conclusion that it did, based on the evidence it had. I concluded that it was fair for RSA to conclude the jacket being claimed for is the same jacket that had been included in the previous claim. I think that was a reasonable decision to make on the evidence available at the time. RSA had expert evidence to support that conclusion, and I didn't consider Mrs I's testimony on its own to be so persuasive as to outweigh that evidence.

However, Mrs I has now provided further submissions. This includes new evidence, which wasn't available to RSA at the time, so it wasn't able to consider any of this. As I've said, my provisional decision was that RSA's conclusions were reasonable, based on the evidence it had. Now that there's new evidence, it will need to consider that.

Mrs I can submit all her new evidence to RSA, so it has the opportunity to consider this and decide whether it should now reach a different conclusion.

The evidence Mrs I has submitted includes detailed comments on the evidence RSA relied on, further photographs, and expert evidence that the photographs are not sufficient to conclude they are all of the same jacket. So there is conflicting expert evidence. RSA will need to consider whether it's still reasonable to rely on the evidence it obtained. When weighing that up, RSA may wish to bear in mind that it relied on a condition in the policy to decline the claim. So the onus is on RSA to show that the condition applies and that it's reasonable to decline the claim.

Once RSA has considered the new evidence and made a new decision, if Mrs I remains unhappy it will be open to her to make a fresh complaint about that decision.

Mrs I has referred to the time already taken and the impact of all of this on her. I appreciate there will inevitably be some further delay while RSA reviews things, but it has a duty to deal with claims promptly, so I'd expect it to deal with this and make a decision without any unnecessary delay.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 9 April 2025.

Peter Whiteley
Ombudsman