

The complaint

Mrs H complains U K Insurance Limited unfairly declined her landlord insurance claim.

UKI's been represented for the claim at points. For simplicity I've generally referred to the representative's actions as being UKI's own.

What happened

In June 2023 Mrs H claimed against her UKI landlord insurance policy for various areas of damage to her let property. The damage had been discovered after tenants had departed. It included water ingress through a roof, damage to carpets and other fixtures and fittings. UKI declined the claim. Unhappy with that decision, in Autumn 2023, Mrs H raised a complaint. She said the policy covers contents with no exclusions, so should pay out. She said carpets, which had been damaged by the tenants, were covered for £5,000.

In December 2023 UKI issued a complaint response. It said Mrs H had first claimed for the damage in November 2022. It explained the claim had been declined due to the cause being damage caused by pets scratching and general wear and tear - causes excluded by her policy. It said stolen items hadn't been covered as she didn't have theft by tenants or malicious damage by tenants cover on her policy.

UKI said following Mrs H getting in touch again, in June 2023, its loss adjuster (LA) had visited the property. It found most of the damage claimed for had been repaired, but was able to consider photos she provided. UKI was satisfied with its decision to decline the claim. It said areas of damage, caused by pets, can't be paid under the policy's accidental damage (AD) cover. It considered other damage to be due to neglect by tenants, rather than resulting from a one-off insured event. It repeated that the policy didn't have theft cover for the stolen items.

Mrs H wasn't satisfied with that outcome. In July 2024 she referred her complaint to the Financial Ombudsman Service. She said her policy covers floor coverings for up to £5,000. She had to recarpet the property following the tenant's departure. She said she also claimed for damage to a window. She was unhappy UKI had appointed a loss adjuster to deal with her claim. She complained she hadn't been informed by UKI previously that she had a relationship with the LA. To resolve her complaint, she would like UKI to honour the policy by paying the claim.

Our Investigator found UKI had declined the claim fairly and in line with the terms of the policy. He said it was reasonable for it to have used the LA to investigate the claim. So he didn't ask UKI to do anything differently. As Mrs H didn't accept that outcome the complaint was passed to me to decide.

The Investigator didn't consider UKI's decline of Mrs H's claim for damage to a roof and related damage by water ingress. I haven't considered those issues either. I haven't seen that Mrs H specifically raised, to this Service, dissatisfaction with UKI's response to the roof and water ingress part of her initial claim in November 2022. She did, in her referral call to this Service, raise dissatisfaction with UKI not visiting her property following her November

2022 claim until March 2023. She said by that time she had arranged repairs herself, as she needed to make the property watertight. That does seem to relate to UKI's handling of the roof and water ingress parts of her claim.

But I haven't seen that she has raised dissatisfaction with the actual decline decisions. Neither has she explained why she might consider those to be unfair decisions. So I don't consider it would be appropriate for me to consider within this decision, any concern at the decline of the roof and water ingress claims.

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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mrs H and UKI have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted. I realise this will be disappointing for Mrs H, but having done so, I'm not going to require UKI to do anything differently.

Mrs H's policy covers loss or damage to building and contents - but only when caused by listed 'contingencies' (causes of loss). I've considered the relevant contingencies, listed in the full policy terms, to decide if UKI fairly declined the claim.

UKI declined to cover any loss or damage under the policy's 'Malicious Person' and 'Theft' cover. It said the policy doesn't have cover for either of these when undertaken by tenants.

Mrs H has said her tenants caused the various damage claimed for. Both contingencies exclude damage or loss caused by tenants. She has also said their pets damaged items. Cats aren't 'persons', so aren't covered under 'Malicious Persons'. If they were considered to be in some way agents of their owners, the tenants, that would ultimately be damage by the tenants - so excluded. So I can't say UKI should reasonably have covered any loss under either of those two contingencies.

The policy covers 'Any Accidental Cause'. This contingency also comes with listed exclusions. These include damage caused by or consisting of 'scratching' 'marring' and 'wear and tear'. UKI said pets had scratched and marred flooring, so that isn't payable under accidental damage. The damage to carpets, from Mrs H's description, was largely the result of numerous incidents of cats fouling them. Based on that I can't find UKI's reliance on the marring exclusion, to decline cover under accidental causes, is unreasonable.

UKI considers other damage to doors, windows, a toilet seat and skirting boards to result from neglect and wear and tear - rather than a one-off accidental cause. Having considered the descriptions of damage and limited photo evidence, I can't fairly say UKI should cover any loss under accidental damage. The photos Mrs H has provided do show signs of general wear or neglect, rather than of anything of a more accidental one-off nature.

Mrs H has highlighted that her policy schedule specifically states that 'floor coverings' are covered for up to £5,000. But the policy schedule must be considered alongside the full policy terms. These state UKI will cover damage to floor coverings caused by one of the 'contingencies'. So the flooring, including carpets, aren't covered for damage or loss regardless of the cause. Instead, they are covered with a limit of £5,000 if damage results from one of the causes or contingencies. I've already considered the most relevant contingencies and found UKI fairly declined her loss under those.

Mrs H may misunderstand her relationship with the LA. It seems she feels UKI transferred her contract of insurance to the LA. That isn't my understanding. Instead, the LA is UKI's agent, appointed to handle her claim. This is a common set up for insurance claims. I don't consider UKI did anything wrong by appointing the LA. It informed her in advance that the claim would be primarily handled by the LA. The LA introduced itself and its role in its initial contact with Mrs H. So I'm satisfied UKI took reasonable steps to explain the arrangement to her.

I realise Mrs H has experienced very difficult circumstances in recent years. I appreciate this decision will be disappointing for her. However, having considered everything I can't say UKI has failed to apply the terms of her policy or has declined her claim unfairly.

My final decision

For the reasons given above, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 22 April 2025.

Daniel Martin
Ombudsman