

The complaint

Mrs D and Mr D complain about Advantage Insurance Company Limited (“AIC”) and the decision to decline the claim they made on their contents insurance policy.

Mr D has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made by either Mrs D or Mr D as “Mr D” throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr D held a home insurance policy that included accidental damage cover for his contents when his laptop was damaged by a spillage. So, when a local repair shop, who I’ll refer to as “X” were unable to repair the laptop, Mr D contacted AIC, the underwrite of his insurance policy, to make a claim.

AIC instructed a specialist, who I’ll refer to as “S”, to inspect the damage as part of their claim validation. And while S produced a report that agreed the damage was consistent with the accident circumstances Mr D described, they also explained their belief the laptop had been repaired previously.

AIC asked Mr D to contact X and obtain confirmation of the work X completed. And AIC also requested this from X themselves. But this information wasn’t received and so, AIC declined Mr D’s claim. Mr D was unhappy about this, so he raised a complaint.

AIC responded to the complaint and didn’t uphold it. Within the final response, AIC explained why they didn’t think the laptop was in a good state of repair, based on S’ report. So, they didn’t think they needed to do anything more. Mr D remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They thought AIC had acted unfairly when deeming the laptop to not have been in a good state of repair. They set out why, considering S’ report, they were persuaded the damage to Mr D’s laptop was most likely caused by an insured event. And, why they didn’t think AIC had evidence that there was an applicable exclusion to fairly decline the claim. So, they recommended AIC replace Mr D’s laptop, minus any applicable excess, and pay Mr D and Mrs D £200 compensation in total to recognise the inconvenience they were caused.

Mrs D and Mr D didn’t raise any objections to this recommendation. But AIC did.

AIC explained their complaint handler had made a mistake when referring to the policy term about Mr D’s laptop needing to be in a good state of repair and stated the claim wasn’t declined for this reason. Instead, they explained it was declined as they didn’t think they were able to validate the laptop was working before the event occurred, considering S opinion that previous repairs had been attempted and X’s refusal to provide information about the work they completed. Nor did they think Mr D had been able to provide a plausible explanation regarding the missing cover and residue flux. So, they didn’t think they could

validate the laptop stopped working due to the spillage Mr D was claiming for.

Our investigator responded to AIC's comments, setting out why their opinion remained unchanged. AIC continued to disagree and so, the complaint has been passed to me for a decision.

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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

As already explained by our investigator, the industry regulator has set out rules that explain an insurer such as AIC must not decline claims unfairly.

In this situation, AIC have explained the reasoning provided in their complaint response was incorrect. And that instead, the claim was declined as they didn't feel they could validate the damage was definitively caused by the spillage. So, I've thought about whether I think this reasoning is fair. In this situation, I have not been persuaded it is, and I'll explain why.

I don't disagree or dispute AIC's assertion that it is Mrs D and Mr D's duty to prove their claim. And I agree that it is for Mrs D and Mr D to show there is an insured event to claim for, under the terms and conditions of the policy they held.

It's not disputed that Mr D holds a policy that covers "*Accidental damage to contents whilst in your home, such as spillages of paint on a carpet*". In this situation, Mr D was claiming for a spillage of drink over his laptop keyboard, which had led to his laptop not turning on or charging.

S' report, authorised and obtained by AIC, reiterated the same accident circumstances provided by Mr D. And within the report conclusions, S provide their professional opinion that "*the damage on this device is consistent made with the claim by {Mr D}.*"

I've seen no specific exclusion within the policy that relates to damage of a computer, caused by a spillage. So, considering this and the opinion provided by S in their report, alongside Mr D's testimony, I'm satisfied there was an insured event for Mr D to claim for.

And in line with industry approach, where I'm satisfied there is an insured event, the onus then turns to AIC to provide there is an applicable exclusion within the policy to rely on. And, that it is fair and reasonable for them to use this to decline the claim.

AIC have referred to S' report, and the opinion that there was evidence of a potential repair being completed before the accident occurred. And they have set out why they think this impacts their ability to validate the claim.

But crucially, they haven't referred to a specific exclusion under the policy.

So, in spite of this, I've thought about AIC's position against the evidence provided to decide whether I think they were fair to decline the claim on this basis. And I'm not satisfied they are.

I don't dispute S' professional opinion that there was shielding missing, and some residue flux that suggested heating of the board. But I don't think this in itself is evidence that a repair had been completed. Or, that it was this suggested repair that led to the damage to Mr D's laptop.

S report already set out their professional opinion that the damage was consistent with water damage. And, that it was this damage that led to the need for a replacement motherboard which wasn't available and so, for this reason the laptop was deemed beyond economical repair.

I've seen nothing in this report to suggest the missing cover, or residue reflux, were related in any way to the damage that saw the laptop being deemed beyond economical repair. And I'm not persuaded by AIC's argument that obtaining a report from X detailing the work they completed would, or should, impact this decision.

I'm also not persuaded it's reasonable for AIC to expect Mr D to be able to obtain this, when AIC were unable to obtain this themselves. Mr D has explained he asked X to explore whether the laptop could be repaired, and that they opened up the laptop to assist the drying process.

Considering the laptop was water damaged, I seen no reason to dispute Mr D's version of events here as it would make logical sense to open the inner workings of laptop to allow the water to evaporate. So, I'm satisfied X most likely did open the inner workings of Mr D's laptop and I think this may explain why S' report suggested evidence of some repair work possible being undertaken, on the balance of probability. I'm not satisfied this is evidence that the laptop was damaged before the insured event occurred.

And I'm also unable to see how this placed additional or undue risk on AIC, that should then impact their claim decision. By taking his laptop to X, I think this represented Mr D attempting to find a fix for his laptop, without needing to claim on his policy. And when X said a repair wasn't possible, which I don't see any need to dispute considering this was also the finding of S, I think it followed that making a claim on his policy was the next reasonable step to take.

So, because of the above, I'm satisfied AIC have acted unfairly when declining Mr D's claim, based on the information that's been made available to me and the balance of probabilities. So, I've then turned to what I think AIC should reasonably do to put things right.

Putting things right

When thinking about what AIC should do to put things right, any award or direction is intended to place Mrs D and Mr D back in the position they would have been in, had AIC acted fairly in the first place.

In this situation, had AIC acted fairly, they would have accepted the claim. Had they done so, based on S' opinion, Mrs D and Mr D's laptop would have been replaced, as a repair wasn't possible. So, this is what I'm directing AIC to arrange, subject to payment of the applicable policy excess.

And as AIC didn't do this initially, this led to Mrs D and Mr D being left without a functioning laptop for a period of time when they shouldn't have. And they've needed to engage with AIC unnecessarily to raise a complaint about the situation they found themselves in.

To recognise this inconvenience, our investigator recommended AIC pay Mrs D and Mr D a total £200 compensatory payment. And I'm satisfied this recommendation is a fair one, that falls in line with our services approach and what I would've directed, had it not already been put forward. So, it's one I'm directing AIC to pay.

My final decision

For the reasons outlined above, I uphold Mrs D and Mr D's complaint about Advantage Insurance Company Limited and I direct them to take the following action:

- Replace Mrs D and Mr D's laptop, subject to payment of the applicable policy excess; and
- Pay Mrs D and Mr D a total compensatory payment of £200.

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 29 April 2025.

Josh Haskey
Ombudsman