

The complaint

Ms M and Mr Y complain about Accredited Insurance (Europe) Ltd (“AEL”) and the decision to decline the claim they made on their home insurance policy. They also complain about the decision to cancel their policy and the advice provided during the claim process.

Ms M has acted as the main representative during the complaint process. So, for ease of reference, I will refer to any comments made, and actions taken, by either Ms M or Mr Y as “Ms M” 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, in December 2022, Ms M discovered an escape of water at her property. So, after engaging with her separate home emergency insurer, she contacted AEL to make a claim on the home insurance policy that they were the underwriters for.

While Ms M spoke to AEL’s managing agent, who I’ll refer to as “B”, AEL were responsible for the service B provided and so, I’ve referred to any actions B took as if they were taken by AEL. The same can be said for the loss adjustor that was appointed by B, who I’ll refer to as “C”, when required.

AEL appointed a contractor, who I’ll refer to as “R”, to complete strip out and drying works at the property. And following a report from C, AEL instructed a forensic engineer, who I’ll refer to as “E”, to inspect Ms M’s home to determine the cause of the leak and validate the claim. E provided a report which set out their opinion that Ms M’s roof was in a poor state of repair, and it was this that allowed the pipework in the loft to freeze and then burst. And that had the roof been in a good state of repair as the policy AEL provided expected, the incident would have been avoided. So, AEL declined the claim on this basis, and they also proceeded to cancel Ms M’s policy. Ms M was unhappy about this, so she raised a complaint through the loss assessor she appointed, who I’ll refer to as “L”.

AEL responded to the complaint and didn’t uphold it. They explained why they felt they had declined the claim fairly, based on the policy terms and conditions and E’s expert opinion. So, they didn’t offer to do anything more. Ms M remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought AEL acted fairly, and within the terms and conditions of the policy when declining the claim. And even though Ms M hadn’t complained about the alternative accommodation (“AA”) costs she had incurred, and the policy decline, our investigator set out why they thought AEL had acted fairly for both issues as AEL had been given the chance to provide their position on these before our investigator reached their outcome.

Ms M didn’t agree, providing several comments setting out why. These included, and are not limited to, her continued assertion that AEL hadn’t made it clear her AA costs wouldn’t be covered or reimbursed. And she asked that our investigator listen to calls she held with AEL

where this was discussed. Ms M also explained that she had incurred increased electricity costs associated to the drying works R completed, explaining she wouldn't have undertaken this work had she been made aware the policy would be declined. So, Ms M explained why she wanted these costs covered.

Our investigator considered Ms M's comments and requested recordings of the calls Ms M referred to. Our investigator listened to the calls that were available and having done so, their position remained unchanged. Ms M 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 not 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.

First, I want to recognise the impact this complaint has had on Ms M, Mr Y and their family. I don't doubt the circumstances of their claim would have been extremely inconvenient, considering the extent of the damage and the time of year this occurred. And I recognise Ms M most likely took out the policy with AEL to assist her both practically and financially in situations such as the one she found herself in. So, when AEL declined the claim and this left Ms M needing to fund the repair work and payment of her AA costs herself, I can understand why Ms M would feel unfairly treated and choose to complain.

But crucially, for me to say AEL should do something differently here, for example reverse their claim decision and cover Ms M's costs, I first need to be satisfied they have done something wrong. So, I'd need to be satisfied AEL failed to act outside of the policy terms and conditions when declining the claim and cancelling the policy. Or, if I think they did act within these, I'd need to be satisfied they acted unfairly in some other way. In this situation, I'm not persuaded this is the case, and I'll explain why. And to do so, I've addressed Ms M's main complaint points separately, to ensure my reasoning is easy to follow.

I also want to reiterate when doing so, I haven't commented on every point Ms M has raised, in line with our service's informal approach. Instead, I've focused on the points and comments I'm satisfied are pertinent to the decision I've reached. But I do want to reassure Ms M I have considered all the information available to me, and this includes the extensive arguments she's put forward.

Claim decline and policy cancellation

I want to make it clear that it's not my role, nor the role of our service, to re-underwrite the claim Ms M made, as we don't have the expertise to do so. Instead, it is my role to consider the actions AEL took to decide whether they were fair and reasonable, based on the policy terms and conditions and the information available to them at the time.

And when doing so, our approach is that a business such as AEL are fair to rely on the expert opinion they obtain, unless there is persuasive evidence to dispute this.

In this situation, I've seen E's report, which I note both parties have had sight of. So, I won't be quoting it in detail. But in summary, I'm satisfied this report makes it clear that in E's opinion, Ms M's roof was in a poor state of repair and that this led to the freezing and

bursting of the pipes that caused the escape of water in her home.

In this situation, E are the expert. And while I note Ms M has queried their impartiality, I'm satisfied AEL were fair to rely on this opinion as independent, in line with standard industry approach. The fact that AEL instructed E isn't evidence that the opinion E provided was biased.

And I've seen within the policy terms and conditions, which again both parties have had sight of, which explains within the general conditions that Ms M *"must maintain your property in a good state of repair and take all reasonable precautions to safeguard property from loss or damage"*. And, that any failure to comply with these general conditions would allow AEL to *"cancel the policy and/or refuse to deal with your claim"*.

So, based on the above, I'm satisfied AEL acted within the policy terms and conditions when declining the claim, and cancelling the policy, based on the expert opinion E provided. But as I've set out above, I've also considered whether E acted fairly when doing so.

I note L, on behalf of Ms M, provided detailed rebuttal to the claim decline. And I would expect AEL to consider this appropriately, which I'm satisfied they did here. I can see they passed this rebuttal back to E to consider, and I've seen E's response which sets out why L's arguments didn't change their opinion.

So, I'm not persuaded there was any evidence provided to AEL that should have led them to change the original decision they made and because of this, I'm satisfied they acted fairly when maintaining the claim decline. And regarding the policy cancellation, I'm satisfied they provided Ms M with a suitable amount of notice and as a claim was made, a refund of premiums wouldn't be required. So, I'm satisfied AEL acted fairly, and in line with the policy terms, when declining the claim and cancelling the policy. And because of this, I'm not directing them to take any further action regarding these issues.

Alternative accommodation and other costs

I note Ms M feels AEL failed to make it clear to her that her AA costs may not be covered. And I want to reassure Ms M I've thought carefully about all the points she's put forward, with the accompanying evidence.

But for AEL to be responsible for reimbursement of the AA costs Ms M incurred, there would first need to be a validated claim under the policy she held. And I've already set out above why I'm satisfied AEL were fair to decline the claim. So, as there was no valid claim under the policy, it follows that I wouldn't expect AEL to cover Ms M's AA costs.

However, I would expect AEL to provide Ms M with a reasonable understanding of this, prior to the claim decline itself. So, I've considered the communication between AEL, Ms M and L, to ensure this was the case. This includes emails, system notes and call recordings that have been provided to me.

Having done so, I'm satisfied the information AEL provided within this communication was reasonable. And I don't agree with Ms M that it was misleading.

Within the calls I've listened to, I'm satisfied AEL made it reasonably clear to Ms M that reimbursement of the AA costs she incurred would be dependent on the claim being accepted. While AEL did tell Ms M to keep receipts and proof of costs, AEL also stated specifically that *"we can consider those at a later date to potentially reimburse you"*. And directly after being told this, Ms M asked *"how will we know if this claim will be met?"*. So, I do think Ms M had an understanding that for the AA costs to be re-imbursed, the claim would

need to be authorised. And that at that point, it hadn't been.

This was after Ms M's original call to AEL on 17 December 2022, where it was made clear that the agent was unable to arrange, or authorise, any AA costs. Despite this, I note Ms M chose to arrange AA herself, incurring costs without AEL's authorisation. While I do understand why Ms M felt the need to take this action, considering the damage to her home and the time of year, I must still factor in that Ms M was in AA for around two weeks before she contacted AEL again to log a full claim.

So, I'm satisfied AEL made it reasonably clear any reimbursement of Ms M's AA costs would be subject to authorisation of the claim itself. And this is supported in emails I've seen between AEL and L, and internal conversations between AEL and C, which it's made clear the claim was on hold and any offer of payment towards these costs would be made on a "without prejudice" basis.

While I appreciate Ms M as a lay person may not have understood what this meant, I note she instructed L as a professional loss assessor to assist her with the claim. And so, I would've expected L to make this clear to Ms M and I'm unable to hold AEL responsible if this wasn't the case.

So, because of the above, I'm satisfied AEL acted fairly regarding the AA costs, and their decision not to reimburse these. I appreciate Ms M is unlikely to agree and I want to reassure her I've thought about her insistence another call was held with AEL. Unfortunately, AEL have been unable to locate or provide this call. And Ms M is unable to show herself that this call was held. So, I'm unable to consider this call and Ms M's testimony of what was discussed on it, as we are an evidence-based organisation. But even so, for all the reasons above, I'm satisfied from the rest of the communication I have had sight of, AEL have acted fairly.

Finally, I turned to Ms M's comments about the increased electricity bill that resulted from the drying works put in place by R. And the costs of reinstating her home following the strip out works. I note Ms M has set out why she wouldn't have undertaken this work, had she known the claim would be declined.

But crucially, I would expect AEL to take prompt action to prevent and mitigate any further damage to Ms M's home while they took the time to validate her claim. And considering Ms M's own testimony I've heard on phone calls where she states the carpet was saturated, and the images shown in E and C's reports which show extensive water damage, I'm satisfied AEL were fair to take steps to dry Ms M's property as soon as reasonably possible.

And, while Ms M says she would've allowed it to dry naturally, I'm satisfied the work AEL completed was necessary and that it provided a benefit to Ms M as her property was dried for a claim that was ultimately declined. I recognise it's likely she would've incurred an increased electricity bill for this, but she also received the benefit of the equipment needed, as well as the labour to complete the strip out to allow for the effective drying. So, I won't be directing AEL to do anything more.

I recognise this is unlikely to be the outcome Ms M and Mr Y were hoping for. And I don't intend this decision to take away from their lived experience and the impact the event caused them both emotionally and financially.

But as I've set out above, it's my decision that AEL acted both fairly, and in line with the terms of the policy they provided, when handling and declining the claim, before cancelling

the policy they held.

My final decision

For the reasons outlined above, I don't uphold Ms M and Mr Y's complaint about Accredited Insurance (Europe) Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr Y to accept or reject my decision before 6 May 2025.

Josh Haskey
Ombudsman