

The complaint

Mr M has complained that Fairmead Insurance Limited unfairly recorded information on an external database about claims under his home insurance policy.

What happened

Mr M was insured by Fairmead. He requested a quote from a new insurance provider. Mr M then complained to Fairmead because he said it had incorrectly recorded claims against his policy that had affected the quote with the new company.

When Fairmead replied, it listed three claims. For two of them, it said its records showed it had investigated the claims, including sending companies to carry out assessments. For the third claim, it said this appeared to be more of a conversation with Fairmead. It said it had been listed as incident only (no impact).

Mr M complained to this Service. Our Investigator didn't uphold the complaint. She said Fairmead had a duty to record all incidents. It had provided details of each of the claims and she was satisfied it had correctly recorded the details of the claims.

Mr M didn't agree. He didn't think the claims should have been registered and one of the incidents had been incorrectly recorded because it was an inquiry only, not a claim. So, the complaint was referred to me.

I issued my provisional decision on 2 April 2025. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

Most insurers are signed up to the Claims and Underwriting Exchange (CUE). This is a database on which they make a record of any incident they're made aware of, whether it leads to a claim or not. They have a duty to make an accurate record. Its purpose is to identify misrepresentation and prevent fraud.

For Mr M's policy, there were three claim records on CUE from 2020 and 2021. Mr M has said all of these were incorrect and shouldn't have been recorded. So, I've looked at this. The first was registered on 1 December 2020. Mr M had found signs of damp to internal walls and thought there might be a blocked drain. This was recorded as a claim for accidental damage to underground pipes. Fairmead's records showed that a contractor visited to flush the drains and that there were costs because of this. I'm aware Mr M has also said someone came out and cleared the drain and no further work was done. This would be regarded as a claim. So, based on what I've seen, I'm satisfied it was correct for Fairmead to record this on CUE.

The second incident was registered in January 2021 and was a claim for storm damage. Fairmead's records showed that a surveyor visited and the claim was then declined. There were costs for sending the surveyor. I've also seen the response to a previous complaint made by Mr M in 2021 that was about the decision to decline the storm claim. Even though Fairmead didn't settle the storm claim, this still needed to be recorded on CUE. So, again, I'm satisfied it was correct that there is a record of this on CUE.

The third incident was registered in February 2021. It's my understanding that Mr M phoned Fairmead to discuss a possible claim for an escape of water. Mr M decided not to proceed with the claim and Fairmead recorded it as withdrawn in its records. It also added a record of this to CUE, which it was required to do. So, I think this was fair.

I've then looked at whether Fairmead recorded the information correctly on CUE. I asked Fairmead for more information about what had been recorded on CUE. This included because Fairmead had recorded the February 2021 claim as "settled", rather than withdrawn. I also couldn't see what costs had been recorded on CUE.

Following this, Fairmead reviewed the CUE records and updated the records for the January 2021 and February 2021 incidents. It changed the status of both from "settled" to "notify". I can also see the payments related to the first was listed as £140 and for the second was listed as zero. It's my understanding that Fairmead hasn't changed the claim costs. Fairmead wrote to Mr M about each claim to say it had updated CUE. I've only seen a copy of the letter about the February 2021 claim.

Mr M recently contacted this Service because he was confused about why Fairmead had now written to him and why this was only about two of the claims. I should note that when I asked Fairmead to review the records, I was requesting information, not for it to do anything at that time. If it had responded to my questions and said it now considered it should make changes to the CUE record, as part of my decision, I would have said it should do so. However, given Fairmead had already assessed the records and made changes, there is no purpose in me commenting on this further. But, it's understandable that Mr M found it confusing to receive letters about this.

From what I've seen, Fairmead didn't need to update the third record because this was correct. It had carried out work as part of the December 2020 claim, which was by clearing the blockage. This was recorded on CUE as a settled claim and with costs of £184.

I've also thought about whether the information previously recorded on CUE had an impact on Mr M. Mr M has said it affected his premiums when he tried to take out a policy elsewhere. I've seen no evidence to show this was the case. I'm also unable to comment on how another insurer calculated the premium. If Mr M thinks his new insurer did this incorrectly, he would need to contact that insurer to raise this.

But, Fairmead was correct to record claim and incident information on CUE, so that other insurers were aware. Although Fairmead has now changed the status of two of the incidents from "settled" to "notify", I'm aware it can vary how insurers are able to record information on CUE. It isn't always possible for an insurer to record a claim as "notification only" and it therefore has to record it as "settled". Fairmead has now been able to change the two claims previously recorded as settled to notification only, which it now assesses is the appropriate way to record these claims.

If another insurer looked at the record as a whole, whether it said it was settled or a notification, they should have been able to tell the intention behind how the claims and incidents were recorded. So, for example, the February 2021 incident cost was zero, this would indicate to an insurer that it was notification only. But, regardless of this, Fairmead still needed to record any costs correctly, which it did.

So, having thought about this, I currently intend to uphold this complaint. Fairmead was required to record incidents and claims and the costs involved. However, Fairmead has made changes to the CUE records as a result of Mr M bringing his complaint to this Service. I've seen nothing that showed it couldn't have done this when it considered the complaint.

But, because Fairmead has already made the changes to CUE that it has now identified, I don't currently intend to require it do anything else in relation to this complaint.

I asked both parties to send me any more information or evidence they wanted me to look at by 16 April 2025.

Fairmead replied and said it had nothing further to add. Mr M replied and, in summary, said:

- When Mr M received his Fairmead renewal, the premium was more than double the previous year.
- It was only when he looked for a new quote that he was made aware the claims had been recorded and the details were provided to him. Premiums were “loaded” because of the alleged claims.
- Mr M claimed for a possible leak to his roof. It wasn't a storm damage claim, which was how Fairmead recorded it. I could check the date of the claim and the weather conditions at the time. After the surveyor's visit, the claim was declined. This was because the claim apparently wasn't covered under the policy.
- Mr M had paid for cover.
- Fairmead recording it as storm damage raised a red flag on Mr M's property. This was explained to Mr M by his new insurer. He was told this had changed to water damage after he challenged Fairmead about this.
- Fairmead exaggerated the damp saying it was all over the back wall. It wasn't. It was a slither on the top of the skirting board. No remedial work was done and there was no drain blockage. It was just jet washed.
- The roof surveyor didn't go on the roof. He missed the skylight and Mr M had to show it to him.
- The letters Mr M recently received didn't indicate the changed status I had referred to of “settled” and “notify”. He wasn't in a position to comment from a technical point. The letters only indicated Fairmead had updated his email address and thanked him for contacting them, which he hadn't. Fairmead sent three letters, two of which were duplicates.
- For the claim that wasn't recorded, although it was added as a claim, it was a leak at the back of the cistern. Mr M was told he wasn't insured. In order for him to be covered, he agreed to pay a further £60. But he didn't pursue it. He paid it as a precautionary measure. He didn't know why he was paying this or why he was paying for insurance.
- He understood that these claims remained on the records for five years. He was refused cover by two companies due to the reference to a storm claim. He found this stressful.
- This had impacted his premiums and left a distorted record as insurers have a universal database.

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 uphold this complaint and for the reasons given in my provisional decision. As part of that, I've thought about Mr M's comments, but this hasn't changed my view about what is a fair and reasonable outcome to this complaint.

Mr M has raised concerns again about the claim details that were recorded. However, I remain of the view that Fairmead correctly recorded the information. For example, Mr M has described the jet washing carried out by Fairmead. So, I think that supports that there was a claim and work was carried out. In my view, it was reasonable that Fairmead recorded this on CUE.

Mr M has also said he didn't make a claim for storm damage. As I explained in my provisional decision, I've seen a response to a complaint about that claim. This explained why the claim had been declined and why it wasn't considered to be storm damage. This Service can only consider complaints brought to this Service within six months of the date on which the business responded to the complaint. That complaint response was issued about four years ago, so I'm unable to comment on the issues raised in it. However, I think the complaint response showed that Fairmead considered the issues with the roof as a storm claim and this is what it recorded on CUE.

I'm also unable to comment on the decisions made by other insurers, including their decision on whether to offer a quote and what premium they decide to offer. I can only consider what Fairmead has done. Fairmead has now made changes to CUE to ensure the status of the claims is as accurate as possible. So, I uphold this complaint, but because Fairmead has already recently taken action to update CUE, I don't require it to do anything further.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. However, for the reasons outlined in my decision, I don't require Fairmead Insurance Limited to do anything further in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 May 2025.

Louise O'Sullivan
Ombudsman