

The complaint

Mr S is unhappy with the handling of his contents insurance claim by Lemonade Insurance N.V. (Lemonade) following an escape of water incident.

What happened

The policy booklet terms and conditions for Mr S's policy explained:

Please provide us with the information and records we ask for as soon as possible (e.g. contact information for parties that may be involved, proof of ownership, allowing experts to examine your damaged stuff).

It is your responsibility to prove any loss. We will ask you to prove the value of your damaged stuff, such as original receipts, invoices, bank or credit card statements, as well as valuations dated before the item was insured. You also have to prove that you own the item by providing photos, videos or other details showing that it was still in good condition when you purchased this policy. We may also ask you to take other reasonable steps to ensure we have complete and truthful accounts of the loss and its circumstances.

Mr S contacted Lemonade in August 2024 to report an escape of water incident causing damage to several of his contents. Lemonade recorded the claim and asked for further information.

The facts of Mr S's claim are well-known to both parties. So I haven't repeated them in detail here. To summarise, Mr S complained to Lemonade about its decision to decline cover for the items claimed. Lemonade said this was primarily because Mr S hadn't provided the evidence Lemonade needed to verify Mr S's claim in line with the policy terms.

Mr S complained to Lemonade about its handling of his claim. Lemonade didn't accept Mr S's complaint, and said it wouldn't be able to progress Mr S's claim without the evidence it needed. Mr S rejected these findings, and referred his complaint to the Financial Ombudsman Service for investigation.

The Investigator found that the service provided by Lemonade was reasonable, and in line with our approach. Mr S didn't agree. As the complaint couldn't be resolved, it has been passed to me for 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.

I thank Mr S for taking the time to explain everything that has happened since making a claim on his policy. I understand it has been a stressful time for Mr S. I'd like to reassure the parties that although I've only summarised the background to this complaint, so not

everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Mr S feels strongly that his evidence and version of events hasn't been given proper consideration when assessing his claim. When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. And after considering the evidence and Lemonade's decision on Mr S's claim, I'm persuaded it has acted fairly and reasonably. I'll explain why.

Designer clothes

Mr S says he was categorically told during the first call with a Lemonade representative that clothing could not be claimed for. Because of this, he destroyed a lot of these clothes. Mr S says the information provided by Lemonade was misleading and incorrect.

When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances.

Mr S says that the information provided by the Lemonade representative informed his decision to destroy a lot of his clothes. Mr S says he wouldn't have done this if he'd been told from the outset that clothing is covered. Mr S says he was later informed clothing is covered, but this was only after he'd got rid of a lot of his damaged clothes.

I've listened to the call of 2 September 2024. During this call I'm satisfied Mr S was provided with useful and relevant information about his claim. Mr S said he wanted to claim for his clothes that had been destroyed by the escape of water. Mr S was told wet clothing wouldn't be covered- unless it was sewage water, which wasn't the case here. But he was given the option to have his clothes dry cleaned. I'm satisfied this option was reasonable at the time.

I note Mr S says he destroyed many of his clothes as he was under impression following the call that they wouldn't be covered. I've considered the actions taken by Mr S. But for me to say Lemonade needs to do something to put things right, I'd need to be persuaded that Lemonade's decision not to cover Mr S's clothes at this time is unfair, or wrong.

But having considered the evidence, I'm satisfied this option for Mr S to have his clothes dry cleaned first was reasonable. This would've allowed both parties to see if Mr S's clothes could be returned to the condition they were in before being impacted by the escape of water incident.

I recognise Mr S decided to instead destroy some of his clothes as he didn't think his claim would be successful. But that was Mr S's choice to make. I don't think it would be reasonable to hold Lemonade responsible for Mr S being unable to claim for these clothes now. I say this because, although disappointing to Mr S, the requirement for Mr S to attempt to dry clean his clothes, before making a claim under his policy, is both fair, and in line with what we'd expect in the circumstances.

Given the importance of claiming for his clothes, as stressed by Mr S during the claims process, I think it's reasonable to have expected Mr S to have taken photos of the loss claimed for any items before destroying them. This would be the only way for Lemonade to consider any damage, and whether it's covered by the policy. Lemonade says it would still consider Mr S's claim for any clothes that were damaged that remain in his possession. I'm satisfied this offer is reasonable.

I can appreciate Mr S's disappointment with this outcome. This situation has clearly left Mr S feeling stressed, upset, and financially out of pocket. But I haven't seen any evidence to persuade me that Lemonade's actions have been wrong, or unfair. So I won't be asking Lemonade to do anything more than what it has offered in settlement of this complaint.

Cooker

Mr S's claim also concerned a damaged cooker. Lemonade told Mr S that it wouldn't cover Mr S's cooker as it was an integrated item and so would instead be covered by a buildings insurance policy, if Mr S had one.

Mr S says he replaced his cooker with an integrated appliance but Lemonade should cover the cooker that was damaged by the escape of water. Mr S feels strongly that Lemonade has penalised him for choosing an upgraded cooker in replacement of his old one.

I've considered the evidence Mr S sent to Lemonade in support of his claim for replacing his cooker. I note early in the claims process Lemonade asked for a damage report in support of Mr S's claim. This would've identified the type of cooker Mr S had in place before replacing it with an integrated appliance.

Mr S says Lemonade has acted unfairly in declining his claim for the cooker. The policy terms don't specify 'contents' as a defined term. We'd generally take the view that a contents policy usually covers everything you could take with you if you moved home. And if Mr S had an integrated cooker in place that was damaged by the escape of water, I think it's reasonable to say that this wouldn't be considered 'contents'. That's because an integrated oven would then more likely be considered an item that's a permanent, immovable fixture.

I haven't seen any evidence to support Mr S's assertion about the type of cooker he had in place at the time of the incident. And I can't see that anything has been sent to Lemonade to support the type of cooker he had in place either. So with the evidence available to it, I'm satisfied Lemonade's position is reasonable in saying that Mr S hasn't substantiated his claim.

Lemonade provided Mr S with the opportunity to further substantiate his claim, but I can't see that he has done this. With the evidence available, I'm satisfied Lemonade's decision to decline the claim for the cooker is reasonable.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 June 2025.

Neeta Karelia
Ombudsman