

The complaint

Mr D is complaining about the way Allied World Assurance Company (Europe) dac ('AWAC') has handled a claim he made on his landlord insurance policy.

AWAC has used a number of agents to handle the claim on its behalf. But, for ease of reference, I shall refer to any actions carried out on behalf of AWAC as being carried out by AWAC itself.

What happened

In August 2024, Mr D contacted AWAC to claim for loss and damage inflicted to his property by his tenant. He said the tenant had caused a lot of damage to the property and had stolen items. He's unhappy with the length of time AWAC was taking to deal with the claim.

In November 2024 AWAC responded to Mr D's complaint, but didn't uphold it. It said it had enquiries it needed to make to verify the claim. And it said it couldn't settle the claim. Mr D remained unhappy with AWAC's subsequent handling of the claim and raised a further complaint. Mr D then referred this complaint to this Service.

Our Investigator said this Service could only consider AWAC's handling of the claim up to when Mr D referred his complaint to this Service. She said AWAC still hadn't completed its investigations and hadn't said whether it would settle the claim or not, or how it would do so. So she said she couldn't comment on the claim settlement. But she said she could look at whether AWAC had handled the claim fairly or not. She didn't think it had and said the following:

"AWAC are obligated to communicate proactively with Mr D throughout the claim, keeping him updated regularly, progressing the claim without any avoidable delays. They need to be proactive and manage expectations on the prospective length and extent of the claim as well as how this may affect Mr D going forward.

I think AWAC have made it reasonably clear what they consider to be accidental versus malicious damage. With insurance policies, it's always the responsibility of the policyholder to prove all aspects of a claim, not the insurer's. So, AWAC are able to request information they need to validate and prove all aspects of Mr D's claim. But, we'd expect them to do so quickly and efficiently.

This means, although AWAC have a right to validate all aspects of a claim before making a settlement, they still need to proactively communicate with Mr D and look to validate the claim as quickly as possible.

Reviewing the claim notes and correspondence, I can see extensive information was requested by AWAC. They needed information on the circumstances of the claim, tenant checks Mr D carried out, and an update on the police investigation. The evidence AWAC requested from Mr D was reasonable considering the nature of the claim. But, I don't find AWAC proactively requested this. They first asked for tenancy documentation, then said

they wouldn't accept the claim for malicious damage, making an offer for accidental damage to the property. Then, they reviewed the claim for malicious damage, asking Mr D for more information about the nature of the theft, and for the police update, over a span of weeks.

I appreciate that the claim was reconsidered following Mr D's phone call where he clarified it wasn't the tenant who stole the furniture but people who appeared on CCTV to remove furniture for the tenant. This was information that wasn't given on the first notification of loss where Mr D said the tenant stole the furniture. Because AWAC were relying on their policy terms and conditions at the time, which exclude theft by tenant, this was an unavoidable delay to the claim. AWAC needed to validate this new information given. But, they could've asked for the required evidence more efficiently, rather than having Mr D submit evidence individually to each request.

I can see there were lapses in the claim where Mr D had to chase for progress and communication. While I appreciate the claim was still being validated, AWAC should've kept Mr D updated to the point where he didn't need to chase for information.

The claim changed handlers, where again Mr D was asked to substantiate his version of events and provide more information. While it's an unavoidable process that sometimes claim handlers will be reallocated, this shouldn't cause a delay to Mr D's claim."

Given this, the Investigator thought AWAC should pay Mr D £200 in compensation.

AWAC accepted the Investigator's opinion. However, Mr D asked for an ombudsman to consider the complaint as he still thought AWAC was handling the claim unfairly.

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've decided to uphold this complaint for the same reasons as the Investigator.

I should first set out that, as the Investigator has set out, I can only consider AWAC's handling of the claim up to when Mr D referred his complaint to this Service. I'm aware Mr D has raised further concerns about the way AWAC continued to handle the claim – including AWAC's decision on the claim. But this Service is considering that in a separate complaint.

The Investigator has set out all the delays AWAC has caused and I agree with what the Investigator has said here. I don't think it was unreasonable that AWAC had some concerns surrounding the claim – e.g. the following:

- Mr D advised the tenant had missed rental payments, but the first payment missed was allegedly six days after the policy was taken out and Mr D hadn't had a landlord insurance policy previously.
- Mr D had said the tenant had stolen the items, but the policy didn't cover theft by family members. Mr D then later changed this to say it wasn't the tenant who'd stolen the items.
- Mr D had raised a claim for a lot of damage, but it didn't believe the policy covered most of the damage.

I'm not saying the concerns ended up being valid, but AWAC was entitled to carry out investigations into this. However, it was largely aware of all the issues from the outset and should have investigated this in a fair and efficient manner – in particular seeking to clarify all its concerns at the outset, rather than in a piecemeal manner.

I think this has caused significant delays in the handling of the claim. It needs to be noted that there will always be some distress and inconvenience in the handling of the claim – especially in claims of this nature. But I think AWAC could have reduced this impact had it been more efficient in its handling of the claim. So I think it's right it pays Mr D compensation for this upset. The Investigator thought AWAC should pay Mr D £200 in compensation. I think that's broadly in line with what I would have awarded, so I think it's fair. And I don't think Mr D has given me anything to say it's not a fair reflection of the avoidable distress and inconvenience AWAC has caused.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require Allied World Assurance Company (Europe) dac to pay Mr D £200 in compensation. I don't require it to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 October 2025.

Guy Mitchell

Ombudsman