DRN-5602107

The complaint

Mrs L and Mr L complain U K Insurance Limited (UKI) have declined the claim they made under their home insurance policy following an escape of water.

This complaint has been bought by both Mrs L and Mr L, but as Mr L has been leading in this complaint, and for ease, I've referred to him throughout.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

On 13 January 2025 Mr L contacted UKI following an escape of water at his property. He explained he was selling the property and the leak had been discovered by the estate agent. He said the tenants had moved out of the property in October 2024. UKI declined Mr L's claim as it said the property had been unoccupied for more than 60 days and so the damage was excluded. Mr L didn't think this was reasonable and so raised a complaint.

On 23 January 2025 UKI issued Mr L with a final response to his complaint. It said the policy had an exclusion for loss or damage when it had been more than 60 days since the insured last slept in the property. It said in this case this would apply to the tenants based on the cover it had agreed with Mr L. It said as there had been no tenants or occupants in the property since October 2024 the exclusion would apply.

Mr L didn't think this was reasonable and so referred his complaint to this Service. He said the policy exclusion required him to stay at the property regularly, but UKI were aware the policy was being rented out and he lived abroad. Therefore, it was impossible for him to comply with the policy requirements and so it wasn't reasonable for UKI to rely on the policy exclusion it had done.

Our investigator looked into things. She said she thought it was reasonable for UKI to rely on the policy exclusion it had done to decline Mr L's claim. She said she thought it was fair UKI had considered the policy exclusion in relation to the tenants living at the property rather than Mr L, but that the exclusion would still apply as the property had been unoccupied for more than 60 days.

Mr L didn't agree with our investigator. He said the policy exclusion was impossible for him to comply with and as such it can't be relied on to decline his claim. He said there was no other exclusion which would apply and so his claim should be accepted.

As Mr L didn't agree with our investigator, the complaint has been passed to me to decide.

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 want to acknowledge I've summarised Mr L's complaint in less detail than he's presented it.

I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr L and UKI I've read and considered everything that's been provided.

The relevant rules and industry guidance explain UKI shouldn't unreasonably reject a claim. UKI have relied on an exclusion in Mr L's policy to decline his claim. The exclusion relied on is under the escape of water section of the policy and states:

> *'We don't cover*
>
> - *Loss or damage when it has been more than 60 days since **you** last slept in **your home** on a regular basis (which doesn't include occasional visits or stays).'*

So, I've considered whether it is reasonable for UKI to rely on this exclusion to decline Mr L's claim.

It's accepted that in the 60 days prior to the escape of water, neither Mr L, nor any tenants were regularly sleeping in the property as Mr L was looking to sell it. And whilst an estate agent was visiting regularly, the exclusion would require the property be slept in regularly for it not to apply.

Mr L doesn't think it's reasonable for UKI to apply this policy exclusion because it wasn't possible for him to comply with it. He's explained the policy definition of 'you' includes him and his family who regularly live with him. However, he lives abroad and rents the property out, and has done so for a number of years, something which UKI were aware of. Therefore, it wouldn't be possible for him to sleep in the property on a regular basis as the policy requires.

UKI were aware Mr L was renting out his property, and so I think it's accepted by all parties that the policy definition of 'you' would extend to the tenants staying at Mr L's property. And this is the way UKI have considered Mr L's claim. It hasn't declined Mr L's claim because he or his family weren't sleeping in the property regularly. Rather it's declined his claim because nobody, including any tenants, were regularly sleeping in the property in the 60 days prior to the escape of water. I think it's reasonable UKI have considered Mr L's claim by taking into consideration any tenants which may have been staying there.

I think it's clear the intention of this exclusion is to avoid the additional risk posed by a property being unoccupied, which exists regardless of whether it is Mr L, his family, or tenants who are staying there. As it's accepted nobody was staying in the property in the 60 days prior to the escape of water, I think it's reasonable for UKI to rely on the policy exclusion it has done to decline Mr L's claim.

My final decision

For the reasons I've outlined above I don't uphold Mrs L and Mr L's complaint about UK Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 3 October 2025.

Andrew Clarke
Ombudsman