

## **The complaint**

Miss H complains that Allianz Insurance Plc has treated her unfairly when handling a claim made on her residential property owners policy.

Miss H does not think Allianz has fairly considered the damage caused to her property by its former tenants, with its offer made to settle the claim not being reflective of the cost of all the damage caused. And it has added to the distress of the situation through the handling of the claim and the actions of its appointed loss adjuster.

## **What happened**

Miss H's tenants left her property at the end of October 2023 and a full inspection of the house identified damage throughout. Miss H contacted Allianz and was initially put through to the legal expenses team. Allianz said its legal expenses team would not share information with the home claims team and it was expected that Miss H would be directed by her broker to call the home claims team to deal with the damage to the property.

On 15 December 2023, the claim was raised for malicious damage to the property and a loss adjuster was appointed soon after this. The loss adjuster did not accept all the damage to the property was malicious damage and a settlement was offered based on what it felt was malicious damage. It also agreed to provide cover for two months loss of rent and two months council tax payments. This was increased to three months for each when the complaint was made as an offer of goodwill.

However, Allianz didn't agree the claim decision was unfair. It said the property inspections had highlighted the property was in poor condition previously and it felt there was damage caused gradually overtime.

Our investigator looked at this complaint and didn't think Allianz needed to do anything else. They explained that Miss H's policy did not include cover for contents, so this wouldn't be covered. And with there being some of the tenant's contents left in the property, the offer to cover 50% of the removal costs for items from the property was fair.

They felt the items/areas covered under the malicious damage claim appeared to be fair and reasonable and some damage was more consistent with wear and tear and the lifestyle of the tenants and pets. This wouldn't be considered malicious damage and the policy did not provide cover for this.

Miss H didn't accept the outcome. She highlighted the distress this situation has caused and the effort she needed to make to get the loss adjuster to increase the offers it made. Our investigator acknowledged this was a stressful situation, but didn't think the claim had been handled poorly after Allianz had been notified of it. And the increase of its initial offer for the loss of rent and council tax from two months to three, was something they felt was fair and in line with what they would have recommended.

Miss H maintained that she didn't think the outcome is fair and the complaint was referred 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've decided not to uphold this complaint. I know this will be disappointing for Miss H, but I'll explain why I don't think Allianz needs to do anything else.

It is clear this situation has been distressing for Miss H and I appreciate that time and effort have been put into the condition of the property previously. To see this in a poor state after the tenants left would cause distress and it's understandable why Miss H has looked to her insurer for assistance with putting this right.

What I have considered is whether Allianz and its agents have acted fairly when this happened.

Although there was an initial delay at the start of the claim, I've not seen this was the fault of Allianz. When the claim was made to the correct department it was quickly assigned to a loss adjuster and was progressed in line with timeframes I'd expect to see. I understand Miss H feels the loss adjuster required a lot of back and forth to agree the items it did within the claim, but with the nature of malicious damage, it can be difficult to determine what should and should not be included.

Miss H's policy provides cover for malicious damage and the claim has been settled on this basis. It does not define what malicious damage is, but Allianz set out in its final response what it considers when determining whether damage should be classed as this. The crux of this is whether the damage has been caused with the intention of causing harm and this is broadly in line with the approach this Service would take. Damage caused because of poor workmanship when decorating would unlikely have been caused with malicious intent, with the decoration itself being done with the intended benefit of the tenant themselves. And it is only when it is clear the intention was to cause harm that it would be fair to say the damage was malicious in nature.

Miss H feels the level of damage throughout the property is such, that it has been done with malicious intent, with things like paint throughout the property on carpets and poorly applied. But I am not persuaded this is the case, I accept there is clearly a lack of care applied when decorating has been done to the property, but I do not think it would be fair to say this was done with the intention of causing malicious damage to the property, or to cause harm to Miss H.

Equally, damage caused because of wear and tear and lifestyle choices, such as that noted to the toilet seat and extractor fans is not something that could be expected to be covered under the policy. And it is not something I think can be said to be malicious damage.

It is evident from the photos and videos that damage has been caused to the property because of the pets. But even if in breach of the tenancy agreement, a pet would be kept for the benefit of the owner and not with the intention of causing malicious damage. So, I don't think Allianz or the loss adjuster have acted unfairly when not agreeing to include damage associated with this under the claim.

Miss H had some of her own items in the property but her policy does not provide cover for any landlord's contents. So, the damage to any items would not be covered. There was rubbish and items that needed removing from in and around the property and Allianz agreed to cover 50% of this cost, as it was unable to determine which items were Miss H's and which were the tenants left behind. I think this is fair as it wouldn't be expected to cover the

cost of Miss H's items being removed.

Allianz has provided loss of rent for 3 months and council tax payments for this time. This is a period it thinks is more than the time it should take to put right the damage in the property and get it back on the market to be re-let. I think this was a fair offer and while there was a delay in the settlement being agreed, this was due to a back and forth I think is reasonable. There is an obligation on Miss H to mitigate her losses and with the property being a commercial interest, this would include starting the repairs promptly to bring it back to a letting state.

Overall, I appreciate the distress this situation has caused but I think this is the result of the claim itself and the nature of such a claim. And I don't think Allianz has added distress beyond that, which I think is normal to expect when dealing with a claim. I am sorry for the experience Ms H has had with the tenants leaving her property, but I don't think Allianz has acted unfairly when dealing with and settling the claim for this under her policy.

### **My final decision**

For the reasons I've explained above, I don't uphold Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 16 September 2025.

Thomas Brissenden  
**Ombudsman**