

The complaint

Mr R complains about U K Insurance Limited (trading as Direct Line – “UKI”)’s handling of his buildings insurance claim.

Mr R is being represented by Mr H, so I may refer to him where relevant below.

All references to UKI also include its appointed agents.

What happened

Below is intended to be a summary of what happened and does not therefore include a full timeline or list every point that has been made.

- Mr R is the owner of a property which he rents out to tenants.
- In July 2024, due to damage discovered in the property, Mr H initiated a claim with UKI. He said the property had been damaged maliciously by the previous tenants.
- UKI declined the claim in October 2024. It didn’t agree the damage had been caused maliciously. It felt the damage was due to the tenant’s misuse and neglect of the property, age related wear and tear and general maintenance issues.
- Mr H was unhappy with UKI’s handling of the claim and the time it had taken to provide an answer, having to continually chase it for a response. And so made a complaint to UKI.
- UKI issued its final response to the complaint in November 2024. It maintained its decision to decline the claim.
- UKI didn’t consider it had caused unnecessary delays due to documents it required to validate Mr R’s claim. It accepted however its communication with Mr R had been poor at times and that he had to make several calls to chase the progress of the claim. It offered Mr R a total of £200 compensation in recognition of the impact caused by this.
- Mr H remained unhappy with UKI’s response, so he referred the complaint to our service.

Our investigator’s view

Our investigator didn’t recommend the complaint be upheld.

She wasn’t persuaded the damage had been caused maliciously but down to a lack of care from the previous tenants. She said the damage noted by UKI in its report was more likely gradual in nature, such as worn carpets.

She felt UKI had fairly declined the claim in line with the policy terms.

She also felt the compensation UKI offered fairly recognised the inconvenience caused.

Mr H disagreed with our investigator’s view of the complaint. He felt he had a valid claim for several insurable perils at the property and UKI had not investigated each issue individually.

In particular, he highlighted the following:

- There had been fly tipping at the property and said the policy schedule set out that fly tipping was covered.
- There was crayon and felt tip damage in the property, which he said had likely been done by a child. He felt a valid claim for this existed as it was accidental damage.
- The front door had been broken down, which he said was allegedly by the police. He felt this was covered.
- He noted there was signs of historic water damage but having only regained possession of the property later, he wasn't aware of the issues. He said water damage was covered under the policy.

Our investigator issued a further response, but her opinion remained the same. She said:

- The policy provided cover for the removal of debris, but this applied only when linked to damage covered under the terms of the policy. And she wasn't persuaded an event covered under the policy had occurred.
- She said the policy did have a specific section relating to fly tipping, which covered any property illegally deposited at the property. However, as the debris and items left had been by Mr R's tenant, she didn't consider this to apply to Mr R's claim.
- She said for an accidental damage claim to be successful the incident would've needed to be unexpected and sudden. But she wasn't persuaded the damage caused by felt tip and crayons, or the front door, would have been a sudden, malicious or unexpected event.
- She further explained the policy does provide cover for damage caused by emergency services to gardens, but this doesn't extend to buildings.
- Regarding the water damage, she said damage that occurs over time is excluded from cover under the terms and conditions of the policy. Having reviewed UKI's report and photos of the damage, she said it showed signs of a long-term leak and signs of gradual wear and tear.

Mr H still didn't agree with our investigator, so he asked for the matter to be passed to an ombudsman. He reiterated that he felt Mr R had a valid claim and that damage had been caused maliciously. He pointed out damage in the property, such as holes in the wall and the damage caused by crayons, He said the tenants had been difficult and things such as leaving behind rubbish and belongings was demonstrative of their behaviour.

He also highlighted that he believed the front door should be covered.

The complaint has now passed to me.

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 agree with the conclusions reached by the investigator for these reasons:

- The policy provides cover for malicious damage. However, it doesn't define malicious damage. In the absence of a policy definition, I think it is reasonable to consider the everyday meaning - that damage was malicious if the person intended harm, in this case to the property.
- I'm sorry to learn of the experience Mr R had with his tenants. But I'm not persuaded the damage can be classed as malicious here.

- UKI report shows photos of the property and commentary from its adjuster. This notes the property to be in poor condition throughout with multiple signs of neglect and disregard from the tenants, such as torn carpets, and staining from pet excrement, scuff marks and holes to walls. Photos of the property provided also appear to be consistent with this.
- The report also details several long-standing water ingress issues, noting ingress is likely occurring under the flooring which has caused it to bow. Additionally staining in the photos to ceilings does appear to be consistent with issues that have existed for some time. The photos show the presence of what appears to be mould staining in places - which is something that doesn't normally appear suddenly.
- I've not seen any evidence that persuades me the damage was done with an intent to do harm. Nor have I seen any evidence that persuades me the tenants had expressed any intention to Mr R to do any specific harm to the property. Rather the evidence supports that the damage is a combination of wear and tear, long standing issues and likely neglect from Mr R's tenants.
- I've considered if the accidental damage section of the policy is relevant here. However, for a claim to be considered the damage would need to be sudden and unexpected, and anything that has occurred gradually is excluded from cover. Having considered everything available I've not seen anything that persuades me the damage has occurred suddenly.
- I've also considered the rubbish and belongings left behind by the tenant. As I'm not persuaded UKI have acted unfairly in declining the claim for the damage, I don't think it has acted unreasonably for not covering this under the section regarding removal of debris – as this relates to debris resulting from damage.
- Under the fly tipping section of the policy, the policy says it covers property illegally deposited. While I appreciate the issues and circumstances of the tenants leaving, I'm not persuaded this was deposited illegally, more they did not take these items with them when they left.
- Regarding the door, the policy sets out it provides cover for damage to gardens caused by emergency services, but this doesn't include the buildings. So, I'm satisfied UKI have acted fairly in not providing cover for the door.
- Again, I considered whether the accidental damage section is relevant. But if the door was damaged because of the police entering the property this was intentional. – and wasn't accidental. And as this wasn't done with an intention to cause harm, I'm not satisfied it was malicious.
- So, in summary, I don't think UKI have acted unreasonably in declining the claim. It has attended the property and set out in its report why it feels the damage is not covered under the policy, supported by photos. I haven't seen anything that contradicts this opinion or that persuades me UKI's opinion is obviously wrong.
- I'm aware Mr H has mentioned obtaining further reports about damage reported at the property. If he does so, he should provide this to UKI in the first instance. If he is dissatisfied with its response, he may consider bringing a new complaint to our service.
- UKI acknowledged its communication to Mr R was poor at times. However, I consider the compensation offer it has made fairly represents the distress and inconvenience caused by its actions. So, I make no further award here.

So, for these reasons, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold Mr R's complaint.

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

Michael Baronti
Ombudsman