

The complaint

Mr and Mrs B are unhappy that U K Insurance Limited (UKI) declined their contents insurance claim. They're also unhappy with the service they've received from UKI during the handling of their claim.

What happened

The background to this complaint is well-known to both parties. So, I've simply set out a summary of what I think are the key events.

Mr and Mrs B have contents cover as part of their home insurance policy.

On 28 July 2023, they contacted UKI to submit a claim. They explained that their contents had been stolen from a storage unit on 19 July 2023.

UKI initially declined the claim but it accepted that Mr and Mrs B may have been sent an incorrect policy document. So it accepted the claim subject to further evidence being provided by Mr and Mrs B.

Mr and Mrs B provided evidence of ownership such as photos and receipts. UKI reviewed the information and offered them £3,200 under the personal possessions cover limit. Mr and Mrs B didn't accept this. So, UKI asked for further details of the storage facility and photos of the stolen items. The list was updated and sent by Mr and Mrs B to UKI. Further questions were asked about the claim. Unhappy with the questions asked, Mr and Mrs B made a complaint to UKI.

In March and April 2024, UKI communicated with Mrs B but ultimately declined the claim. It didn't address the issues Mrs B had with the handing of the claim.

In June 2024, Mrs B provided further information that UKI had requested. UKI didn't respond and the complaint was brought to this service. Our investigator upheld the complaint. She didn't think the claim had been declined fairly as Mr and Mrs B had provided UKI with proof of ownership of the items that were stolen. They had provided a number of receipts relating to some of the items and also photos of other items in use. She asked UKI to reconsider the claim in line with the policy terms and conditions. She also recommended UKI pay Mr and Mrs B £250 for the distress and inconvenience caused to them.

In May 2025, UKI reconsidered Mr and Mrs B's claim but maintained to decline it for the same reasons as above. UKI said it had made a payment of £250 for its handling of the claim.

As no agreement was reached, the complaint was passed to me to decide.

I issued a provisional decision to both parties on 1 July 2025.

I said the following:

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account when looking at this complaint.

The policy terms and conditions

I've started by looking at the relevant policy terms and conditions that apply to Mr and Mrs B's policy as this forms the basis of their insurance contract with UKI.

Under Section 2, B Additional cover on page 14, it states:

'Moving home

We will pay for loss of or damage to your contents by a cause listed under Sections 2A (and 2C, if shown in your schedule) while the contents are being moved from your home to another private property that you are going to live in permanently within the British Isles. This includes cover while the contents are temporarily stored for up to 72 hours.

We won't pay for loss or damage

- to money*
- to china, glass, earthenware or other fragile items*
- to bicycles*
- caused by any paying guest or tenant'*

And on page 15, it states:

'Contents temporarily away from home

We will pay up to £5,000 for loss or damage to contents from any cause insured under Section 2A while the items are temporarily away from home in the British Isles.

We won't pay for:

- bicycles*
- camping equipment*
- loss of money*
- loss by deception*
- loss of or damage to guests' belongings*
- loss by theft, vandalism or malicious acts unless these happen in an occupied private home or building where you work, or force and violence is used to enter the building*
- personal possessions'*

Page 34 sets out the 'Other policy conditions' which applies to 'Section 2 Contents' in the policy. This states:

'If you make a buildings, contents, personal possessions or home emergency claim (but not a liability claim)

For any claim you must:

- *give us any relevant information and evidence that we ask for, including proof of ownership or value of the lost or damaged item and written estimates for repair. You will have to do this at your own expense'*

Has the claim been fairly declined?

I've considered the above terms and conditions in the context of this claim.

The contents were left in a storage unit on 5 July 2023, and the theft happened on 18 or 19 July 2023. Whilst there is cover for theft itself, there is no valid claim here as the contents were left for more than 72 hours in the storage unit. And the terms are also clear that personal possessions are not covered.

Based on the above relevant sections of the policy, given what happened on this claim, I'm satisfied there is no cover for Mr and Mrs B's contents.

Mrs B said she received a policy booklet and as this was the one that was sent to her, so this should apply. I've considered what this sets out from the extract of the section that's relevant that Mrs B sent to UKI.

Whilst this does state that there is contents cover when it's been temporarily removed, this relates to an old version of the policy terms for contents cover. UKI said this policy term was changed from at least 2016 to state as follows: 'This includes cover while the contents are temporarily stored for up to 72 hours.' UKI has also said that Mr and Mrs B had cover with it years back and therefore it's possible that this policy booklet was from that time. Even so, the relevant policy document that applies on this claim is correct in that there is no cover for the contents as they were left in a unit for more than 72 hours.

I appreciate Mrs B thinks as she has this old policy booklet that the old term should apply. But I don't agree. And whilst UKI initially said their claim was covered and then changed that to having cover for personal possessions only, the issue is that ultimately there is no cover under the policy year that applies on this claim. UKI is entitled to review the claim based on the relevant terms and conditions for its validity. I agree an error was made by UKI but that doesn't mean that the claim should now be paid. I've commented on this further in the next section.

I also note that there has been back and forth communication between Mr and Mrs B and UKI about providing evidence of the contents being claimed for. This resulted from UKI initially informing Mr and Mrs B that their claim was covered. So Mr and Mrs B put together a list of items for their claim. UKI said the evidence provided for proof of ownership of those items wasn't sufficient.

I have already made a finding that Mr and Mrs B's claim isn't covered. Therefore, whether sufficient evidence has been provided for the items is no longer an issue. I would like to add that page 34 sets out that the policyholder must provide any relevant information and what UKI asks for, including proof of ownership.

So, the starting position is always that the policyholder has to 'prove their claim' by providing appropriate proof of ownership. And if they can't/don't do that then the insurer isn't required to pay the claim. Typically, insurers will insist on proof of ownership being provided for any high value items the consumer wishes to claim for.

However, in the individual circumstances of this claim, I'm not required to make a finding on whether sufficient evidence has been provided as proof of ownership. This is because I'm satisfied there is no cover and so no evidence needs to be provided by Mr and Mrs B.

Customer service

I note that UKI hasn't communicated as it would be expected to on this claim. First, it said Mr and Mrs B's claim was covered. Then, it said the claim was covered up to the personal possessions limit on the policy. And after a further review, it said the claim wasn't covered at all.

Whilst I'm not persuaded that the claim is covered, I think UKI has failed in its communication with Mr and Mrs B and caused some delays as a result. Our investigator recommended that UKI pay Mr and Mrs B £250 compensation for the distress and inconvenience caused to them. And UKI accepted this recommendation.

Taking everything into account, I think £250 is fair and reasonable in the circumstances of this complaint. And if UKI hasn't already made the payment, it should now do so to Mr and Mrs B.

What I've provisionally decided

Overall, based on what I've seen so far, I'm satisfied that UKI declined Mr and Mrs B's claim fairly and in line with their policy terms and conditions. And I think £250 compensation is fair and reasonable for what happened here.

I now invite both parties to provide their comments to me by 15 July 2025.

Both parties responded to the provisional decision.

UKI accepted the provisional decision and confirmed that the £250 compensation payment had been made in April 2025.

Mr and Mrs B responded and provided their comments.

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 won't be departing from the outcome of my provisional decision. I'll explain why.

Mr and Mrs B have provided further comments which I have carefully considered. I don't think they've raised anything new in addition to the comments they provided prior to the provisional decision.

For completeness though, I would like to provide a summary. I fully appreciate Mr and Mrs B's strength of feeling on this matter. But the policy terms that apply on this claim are those that are relevant for that year.

Whilst Mrs B said she has a policy document sent by UKI that would potentially mean the claim would be covered, I don't agree. On balance, I find UKI's explanation of why Mrs B might have possession of the old policy document more plausible.

Mr and Mrs B said that UKI should offer at least what it offered initially to them even though they didn't accept the offer at the time. UKI said ultimately the claim isn't covered and therefore the previous offer to pay some of the claim no longer stands. It's entitled to do this and in the circumstances of this complaint, this decision is UKI's.

I'm required to make a finding on whether I think the claim was fairly declined by UKI. Having taken everything into account, I'm satisfied that it was. The contents are not covered as they were temporarily stored for more than 72 hours in the storage unit. And personal possessions are not covered either as I've explained in my provisional decision.

I also think that £250 is fair and reasonable compensation for UKI's failings in its communication. UKI has confirmed that it has made this payment to Mr and Mrs B. It therefore doesn't need to do anything further.

My final decision

For the reasons given above, I partly uphold Mr and Mrs B's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 27 August 2025.

Nimisha Radia
Ombudsman