

## **The complaint**

Mrs M complains about U K insurance Limited's decision to decline a claim made under her landlord insurance policy.

## **What happened**

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

At the relevant times, Mrs M had a landlord insurance policy underwritten by UKI, to cover a property she owned and rented out.

She made a claim for malicious damage in February 2025 after her tenants moved out and she discovered damage at the property.

UKI declined the claim, telling Mrs M that she wasn't covered under the policy terms for malicious damage by her tenants.

Mrs M made a complaint to UKI. She said she'd been told in a call in January 2025 that she'd be covered for this kind of damage if she added cover to her policy for landlord's fixtures and fittings – which she then did.

UKI didn't uphold the claim and explained that the additional cover on the policy still didn't mean that malicious damage by her tenants was covered. So, Mrs M brought her complaint to us.

Our investigator looked into it and thought it should be upheld. She thought Mrs M had been given the impression in the January phone call that she was now covered for this kind of damage. And whilst technically she wasn't, she'd not taken further steps to get malicious damage cover, which she clearly wanted.

She said UKI should reconsider the claim on the basis that Mrs M had cover for malicious damage by tenants. And they should pay Mrs M £150 in compensation for the trouble and upset caused by the misleading phone call.

UKI disagreed and asked for a final decision from an ombudsman.

## **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.

Technically, UKI are right to say that Mrs M's policy – even with the addition made in January – doesn't cover malicious damage by tenants.

However, having listened to the phone call from January 2025, I'm satisfied that Mrs M

wanted cover for that kind of damage. And that she came away from that phone call under the impression that she was now covered, having added cover for landlord's fixtures and fittings (up to a limit of £5,000) on to her policy.

The call is somewhat confused. The agent skips between talking about the current cover, the cover if Mrs M made the suggested addition for fixtures and fittings, and the cover if she cancelled the current policy and took out another one including cover for malicious damage by tenants.

That's the agent's fault, not Mrs M's – she was quite clear about what cover she wanted. And she was very clearly led to believe that she would be covered for damage caused maliciously by her tenants if she added landlord's fixtures and fittings to the policy – which she did, whilst on the call.

It's also very clear from the call - and from what we were subsequently told by UKI – that Mrs M could at the time have obtained cover (with them and/or from other insurers) for malicious damage by tenants.

I'm satisfied she chose not to do so only because she was told she'd be covered by adding landlord's fixtures and fittings to the policy.

So, I agree with our investigator that it's unfair for UK to decline the claim now on the basis that Mrs M doesn't have cover for malicious damage by tenants – which is exactly what they've done.

### **Putting things right**

It follows that I also agree with our investigator that UKI should reconsider the claim on the assumption that Mrs M *does* have cover for malicious damage by tenants.

I also agree they should pay Mrs M £150 in compensation for her trouble and upset. The service provided in the call in January was clearly poor. Mrs M rang UKI with a reasonably simple question and came away with entirely the wrong impression, through no fault of her own.

As a consequence, Mrs M has suffered the inconvenience of having to make her case to UKI around the claim. And the upset and worry when they nonetheless maintained the decision to decline the claim on the basis that she didn't have the relevant cover. I'm satisfied that £150 is fair and reasonable compensation for the trouble and upset caused by those errors on UKI's part.

That said, I also need to manage Mrs M's expectations here. I don't think it's fair for UKI to decline the claim on the basis they have, and so they will need to fully reconsider her claim. But that doesn't mean I think UKI will need to pay for repairs to any or all of the damage Mrs M reported when she made her claim.

If UKI are to pay out on parts or all of the claim, the damage would need to have been caused maliciously, not as a result of the lifestyle choices of her tenants.

It would also need to have been caused during the period when Mrs M would have had malicious damage cover if not for the misleading phone call. That is, after 9 January 2025, when the call was made. Before that time, Mrs M had no cover for malicious damage, as a result of choices she made when she bought the policy.

It's not for me to assess the claim on UKI's behalf. They'll need to do that now – and they'll

likely need to obtain more information from Mrs M about the damage she's claiming for.

They can then take a view as to whether they think the damage was or was not caused maliciously by the tenants, between 9 January 2025 and the claim being made in early February.

If Mrs M isn't happy with the claim outcome after UKI have reconsidered it in line with my final decision, she can make a further complaint to UKI - and then bring it to us if she's unhappy with their response.

### **My final decision**

For the reasons set out above, I uphold Mrs M's complaint.

U K Insurance Limited must now:

- reconsider Mrs M's claim on the basis that she has cover for malicious damage by tenants (as set out above); and
- pay Mrs M £150 in compensation for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 November 2025.

Neil Marshall  
**Ombudsman**