

## **The complaint**

Mr and Mrs R complain about how Accredited Insurance (Europe) Ltd (AIEL) handled and settled a claim they made following theft from their home.

## **What happened**

Mr and Mrs R purchased a policy of household insurance on 4 April 2024. Their policy commenced on 17 April 2024 and is underwritten by AIEL.

From 29 January to 5 February 2025, Mr and Mrs R said they employed tradesmen to decorate their kitchen, hallway and utility room. Mr and Mrs R said they were generally at home during the 6 days the tradesmen were working in their home.

Around a week after the work was completed, Mr and Mrs R said they discovered that items had been stolen from their bedroom. These items included a designer bag and scarf and jewellery. They said this theft must have been committed by the tradesmen they'd hired to decorate their home. Mr and Mrs R reported the theft to the police. However, no one was interviewed under caution, charged or convicted of stealing the items that went missing.

Mr and Mrs R notified AIEL that they wanted to claim under their policy. It appointed a loss management company to assist it in managing the claim and Mr and Mrs R provided proof of purchase and ownership of the items taken. They also gave an account to AIEL as to what had happened.

AIEL investigated Mr and Mrs R's claim and declined it. It said that, if items had been taken, they'd been stolen by tradesmen that had been within the property lawfully as they'd been invited there by Mr and Mrs R. The tradesmen hadn't gained entry via forced or violent means or deception. So, the circumstances of loss weren't covered by the policy terms.

Mr and Mrs R complained to AIEL about its assessment of their claim. They stated the tradesmen hadn't been permitted to go into their bedroom and they therefore hadn't been lawfully within that part of their property. But AIEL didn't change its decision about Mr and Mrs R's claim.

On 14 March 2025, AIEL issued its final response to Mr and Mrs R's complaint. It didn't uphold their concerns about how it had settled their claim and explained that the policy terms outlined the absence of cover where theft was committed by a person lawfully in the policyholder's home as was the case here.

Being dissatisfied with how AIEL had resolved their complaint, Mr and Mrs R referred it to our service. Our investigator assessed the evidence provided and empathised with Mr and Mrs R. Initially they recommended upholding this complaint as they weren't persuaded Mr and Mrs R had permitted the tradesmen to go into their bedroom. They said permission had only been provided for the tradesmen to enter the rooms they were decorating. They thought that, in entering Mr and Mrs R's bedroom, this permission had been exceeded. So, the tradesmen hadn't lawfully entered Mr and Mrs R's bedroom.

In response, AIEL argued that the exclusion clause relating to people who are lawfully within a policyholder's home had been fairly applied. It said this clause was tied to the access that is granted to somebody when they are legally able to enter a home and therefore the risk of theft that is presented in such a scenario.

Our investigator reassessed Mr and Mrs R's complaint with AIEL's representations in mind and was persuaded that that it hadn't acted unfairly in declining the claim. But Mr and Mrs R disagreed and requested an ombudsman's review. I've therefore been asked to decide the fairest way of resolving this complaint

### **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'm sorry to hear about the difficulties Mr and Mrs R experienced here. I know they feel very strongly about this matter and I appreciate the reasons they brought their complaint to our service. They've suffered the theft of valuable items and I have every sympathy for the situation they've found themselves in. However, the issue that I must determine is whether AIEL made a mistake, or treated them unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I've read and considered all the information provided by Mr and Mrs R and AIEL, but I'll concentrate my decision on what I think is relevant to decide the complaint, which is reflective of our approach in assessing complaints. This means that I may not comment on every written representation made.

Insurers must deal with claims promptly, fairly and must not unreasonably decline a claim – as set out in the Insurance Conduct of Business Sourcebook (ICOBS). I've considered this and the Consumer Duty together with other relevant rules and guidance when determining this complaint.

Based on the chronology of events, I'm satisfied that AIEL proactively responded to Mr and Mrs R's claim. I say this because they notified it of their claim on 18 February 2025 and within 10 days it had investigated the circumstances and reached a decision on the outcome of the claim. I recognise this wasn't the outcome Mr and Mrs R wanted. But I'm satisfied this demonstrates there were no avoidable delays in how Mr and Mrs R's claim was dealt with.

I'll turn now to the issue of whether AIEL acted fairly and reasonably when it declined Mr and Mrs R's claim.

The terms and conditions of Mr and Mrs R's policy with AIEL outline in clear, unambiguous language that theft or attempted theft within the home is covered where:

- “a. This was caused by theft or attempted theft following forced and violent entry to your home; or*
- b. deception has been used to gain entry to your home”.*

The policy goes on to explain that *“loss of damage caused by theft or attempted theft by any person who is lawfully in your home”* is excluded. AIEL has relied on this policy exclusion

here to repudiate Mr and Mrs R's claim as they say that, in permitting the tradesmen to be present within their home, they were lawfully there.

Mr and Mrs R accept they invited tradesmen to be within their home, which was for the purposes of undertaking decorating work. And I'm satisfied the tradesmen were lawfully within Mr and Mrs R's home during the period the items were taken. I say this because the tradesmen didn't gain access by forced or violent entry or by deceptive measures, which is what the policy requires for a claim to succeed.

Mr and Mrs R have sought to distinguish between the tradesmen being given permission to be within the parts of their home that were being decorated and that permission being exceeded when their bedroom was entered. They say their bedroom wasn't being decorated. So, there was no reason for the tradesmen to enter that room during the time they were in Mr and Mrs R's home. They say that in exceeding the permission that was granted by them, the tradesmen weren't lawfully in their home.

AIEL, on the other hand, says it's immaterial whether Mr and Mrs R allowed the tradesmen to enter their bedroom because by granting them access to their home, the risk of theft presented in such a scenario increased. It asserts that this is why loss is excluded where it's been committed by someone lawfully within the property.

Insurance policies don't provide cover for all eventualities. AIEL's policy provides cover for a list of perils such as theft. And here, the theft of Mr and Mrs R's belongings is covered where someone has unlawfully entered their home by either forced or violent or deceptive means. I'm not persuaded it's reasonable to say that the tradesmen were unlawfully within Mr and Mrs R's home because they may have gone into areas they weren't decorating.

When AIEL set its premium for this policy, it did so based on the limitations it set within its terms and conditions of the policy. It was willing to provide insurance based upon a certain level of risk. Put simply, the risk of providing cover for the stolen items rests with AIEL. It decides the terms it wants to offer cover on, what circumstances it wants to exclude from cover and it sets the price accordingly. Generally, the higher the price the greater the cover.

The circumstances excluding cover here are typically those which an insurer considers to be too risky – or, put differently, more likely to happen. In Mr and Mrs R's policy, one of those scenarios is that AIEL isn't willing to provide cover for theft if it's committed by someone the policyholder has invited into their home. This is in keeping with similar policies offered by other insurers.

I recognise that Mr and Mrs R needed decorating work undertaken at their home. They say they employed tradesmen who appeared to be reputable and didn't have concerns regarding their integrity at any stage prior to, or during, the working being undertaken. They stated the tradesmen weren't always within their sight during the time they were in their home. And they said there were occasions when the tradesmen were alone in the property while Mr and Mrs R were undertaking errands and other duties away from their home.

I don't think it was unreasonable for Mr and Mrs R to continue to go about their daily life and duties while the tradesmen worked in their home. They were there for 6 days, so it wouldn't have been possible for the tradesmen to have been within Mr and Mrs R's sight during all that time. But in leaving the tradesmen unsupervised Mr and Mrs R were taking a risk that they weren't covered for. And I'd have expected them to take reasonable steps to prevent loss in such circumstances.

I'm sorry to disappoint Mr and Mrs R but their policy doesn't cover loss caused by someone who is lawfully in their home as the tradesmen were here. The theft that occurred fell outside

the level of risk AIEL expected when it sold the policy. It falls within an exclusion clause, which I'm satisfied AIEL fairly applied in repudiating this claim. Because the policy doesn't cover the circumstances of this theft, it wouldn't be reasonable or fair to direct AIEL to settle a claim in Mr and Mrs R's favour here.

For the reasons outlined, I'm not upholding this complaint or directing AIEL to take any further action to resolve it. This now brings to an end what we, in trying to resolve Mr and Mrs R's dispute with AIEL, can do for them. I'm sorry we can't help Mr and Mrs R further on this.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 17 November 2025.

Julie Mitchell  
**Ombudsman**