

The complaint

Mr B's complaint is about a claim he made on his Alwyn Insurance Company Limited ('Alwyn') landlord's insurance policy, which was declined.

Mr B says Alwyn treated him unfairly.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

Having done so, I don't uphold Mr B's complaint. I'll explain why.

The starting point is the policy terms. They say:

"General exclusions applying to the whole policy

There is no cover for:

2) Tenancy agreements commencing before this insurance started

Any disagreement with the tenant which arises within the first 60 days of the first period of insurance where the tenancy agreement commenced before the first period of insurance (this exclusion does not apply if you had continuous equivalent insurance with another provider which expired immediately before this insurance started)."

In this case Mr B's tenancy started in 2023. His Alwyn insurance policy began to run in June 2024 and his tenant fell into arrears in July 2024, which is within the first 60 days of the policy. As Mr B hasn't provided anything to show he had continuous equivalent insurance in place with another provider before his insurance with them started, Alwyn declined to cover his claim.

I appreciate that Mr B doesn't feel this is fair, but I don't think the term I have quoted above is unclear, such that I would consider Alwyn are not entitled to rely on it. This kind of term is common in policies of this nature and is intended to mitigate the risk to insurers of policyholders taking out insurance for claims that might occur during the start of the policy- in this case the first 60 days. It's not my role to interfere with an insurer's decision about which risks it is prepared to take on. Rather I can only determine whether Alwyn has acted fairly in declining Mr B's claim here in the way that it has. For the reasons I've set out above, I'm satisfied that Alwyn was entitled to rely on its policy terms in the way that it has and there's nothing in the exclusion I've quoted above that makes me think it was unfair for it not to do so.

Mr B has said the Insurance Product Information Document (IPID) did not contain this exclusion when he took the insurance out. Rather the exclusion was contained within the

policy terms themselves. Whilst that might be the case, it doesn't mean that Alwyn weren't entitled to rely on their policy terms when declining the claim. Alwyn isn't responsible for the sale of the policy, the broker is. And in this complaint, I'm not determining whether the policy was mis-sold to Mr B. Rather I'm looking at whether Alwyn were entitled to decline his claim in the way that they did. It is important to point out however that not all of the policy exclusions will be contained in the IPID or drawn to a policyholder's attention and we wouldn't necessarily say that's unreasonable. But that's something that will need to be considered separately in respect of Mr B's complaint against the seller of the policy.

Mr B has referred to the IPID which excludes any circumstances a policyholder was aware of before the start of the insurance. He feels this term conflicts with the exclusion Alwyn have relied on. I don't think the two are mutually exclusive. Whether or not Mr B knew the tenant was likely to default on the rent due to him before the policy was in place is immaterial in this case. The issue here is that the default occurred within the first 60 days of cover and the tenancy agreement was in place prior to cover starting. In this case that exclusion applies to Mr B's circumstances so the term he has quoted makes no difference to this.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint against Alwyn Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 December 2025.

Lale Hussein-Venn
Ombudsman