

The complaint

Mr S is complaining that U K Insurance Limited ('UKI') has declined a claim he made on his property's commercial property insurance policy.

What happened

In September 2024 Mr S contacted UKI to claim for a leak in his underground pipes which had caused the boiler to fail. He said the issue had arisen in June 2024. However, shortly after, UKI wrote to Mr S to say it had learned that he had looked to claim for this twice previously on separate insurance policies. And it said his managing agent had advised that this matter had been ongoing since February 2023 which was before the policy started. So it believed he was fraudulently looking to claim for damage he knew wasn't covered.

Mr S didn't agree with UKI. He said the previous issues were simply a maintenance issue and had been resolved using a power flush. So he said they had previously resolved the issues, but this time the boiler had still not worked after carrying out previous activities.

UKI maintained its actions were reasonable, so Mr S referred his complaint to this Service.

I issued a provisional decision not upholding this complaint and I said the following:

"I should first set out that I acknowledge I've summarised Mr S's complaint in a lot less detail than he has presented it. Mr S has raised a number of reasons about why he's unhappy with the way UKI has handled this matter. I've not commented on each and every point he's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Mr S and UKI, however, that I have read and considered everything they've provided.

It's not in dispute that issues with Mr S's boiler have arisen on three separate occasions – February 2023, November 2023 and again finally in June 2024. But Mr S says there were different reasons for the issues. He said the issue in February 2023 was a maintenance issue, but it was resolved with a power flush and again the same in November 2023. However, he said the issue in June 2024 was because of a leak in the underground piping – i.e. a separate cause of the issues.

I've considered Mr S's comments, but I don't think UKI's actions are unreasonable here. I've listened to a number of telephone calls and I'm satisfied it was fair for UKI to say these issues started before the policy started. UKI spoke with the property's management agent twice. On both occasions the managing agent set out that the issue started in February 2023 but they only realised in June 2024 that the cause of the issues was a leak.

I acknowledge that, in both February and November 2023, the act of topping up the boiler and power flushing the system was able to get the boiler working again. But I can't ignore that each time the boiler stopped working after six months. So it seems to me that a more fundamental issue was causing these issues and it was only in June 2024 that this cause was established. But, ultimately, this issue goes back to February 2023, which was before

the policy with UKI started. So I can't say it was unreasonable for UKI to say the damage wasn't covered by this policy. And, as I said, Mr S's managing agent also confirmed this was the case.

I've now thought about whether it was fair for UKI to record a fraud marker. In this case, I'm satisfied Mr S has made three claims for this issue. I acknowledge Mr S says he believed they were separate causes. But I also can't ignore that UKI asked Mr S during the claim process if he'd made any claims for this before and he specifically told UKI he hadn't done so. But I've also listened to a call recording UKI had with the broker, where the broker set out an email sent to Mr S in December 2023 where the claim he made was formally declined.

So, clearly Mr S did make a claim for the issues before. And I think Mr S chose to not tell UKI about the previous claims he'd made. Given this, I don't intend to interfere with its decision to record fraudulent markers.

I have read and considered all of Mr S's comments, but for the reasons I've set out above, I don't think UKI has acted unreasonably in this instance."

UKI responded to accept my provisional decision. However, Mr S didn't agree with it and said the following:

- There's no evidence he'd made previous claims for the issues.
- The boiler worked for six months between each failure, which he says shows they were unrelated issues.
- The tenants paid rent in full throughout this time which shows the boiler was working properly.
- He believes the call between the broker and UKI could be false and defamatory.
- He thinks the property manager was intimidated by UKI and he was nervous, pressurised and stressed to receive such a call from UKI without any warning.

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've considered Mr S's responses to my provisional decision, but I've come to the same conclusion as I did previously.

I note Mr S's comments surrounding the calls with the property manager, but I don't agree that's a fair reflection of the telephone call. The property manager was clear and concise in his answers and belief that all the issues were connected and the *actual* cause had only become apparent on the third failure. And there wasn't anything to show he wasn't in a fair state of mind to reply.

Ultimately, Mr S hasn't provided anything to make me think what I said in my provisional decision was unreasonable. I'm satisfied the broker was clear and set out what had been emailed to Mr S – i.e. that his claim had been declined. Furthermore, I've seen reference from Mr S and UKI that a loss adjuster attended the property previously on this issue. A loss adjuster would only have attended his property if Mr S had made a claim. So I'm satisfied that Mr S was clearly aware he'd made two previous claims but chose to not disclose them.

It follows, therefore, that I don't uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 October 2025.

Guy Mitchell
Ombudsman