

## **The complaint**

Mr and Mrs S are unhappy with both how their claim was managed and with the settlement they were offered by Advantage Insurance Company Limited ("AI") under their home insurance policy.

## **What happened**

Mr and Mrs S made a claim after a fire caused damage to their garage and some of the contents contained within.

AI appointed representatives to manage the claim. AI paid Mr and Mrs S a cash settlement for the damage caused to the garage itself, which Mr and Mrs S were satisfied with. However, Mr and Mrs S were unhappy with how the claim was handled in relation to the contents of the garage.

AI representatives said it wasn't safe for Mr and Mrs S to retrieve the contents from the garage. AI's representatives removed the contents from the garage, and it had the contents destroyed. AI offered Mr and Mrs S a cash settlement of £3,000 for the contents which AI said was the limit under the policy.

Mr and Mrs S aren't satisfied, as they said they weren't aware the policy limited their claim, they thought they were insured for contents for up to £75,000. They are also unhappy they weren't given opportunity to salvage items that weren't damaged in the fire.

Our investigator decided to uphold the complaint. She thought AI had unfairly limited the cap on cover, so she thought it should cash settle the cost to replace these items (circa £11,000), plus 8% simple interest per annum. She awarded £500 compensation for the distress and inconvenience caused. AI didn't respond to our investigator's view, so the case has been referred to 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.

Having done so, I uphold this complaint. I'll outline my reasoning for doing so.

In its final response, AI said:

*"I've investigated your complaint and don't think we could've done anything differently. I'm sorry this isn't the response you were hoping for. Upon doing my investigation, due to the items in the outbuilding (Garage) not being specified on your insurance policy, we are unable to uphold your complaint."*

*After confirming, [our representatives] are not able to provide the contents of the garage due to them being disposed. I do understand that you were not informed of the contents limit at time of removal and I do apologise for the inconvenience this has caused, but as per your policy, Contents in outbuildings have a maximum value of £3,000."*

*After convening with another member of our complaints team, we are unable to uphold your complaint and can only offer £3,000 as per your policy document on page 17”.*

I don't think the outcome AI has provided is fair for two reasons:

1. Terms and conditions

I've checked the terms and conditions that have been provided and which are contained in the case file I have access to. And I've reviewed these to understand if I think AI has been fair in limiting their liability on the claim.

The policy defines “outbuildings” as:

*“Sheds, greenhouses, summer houses, other permanent buildings which don't form part of the main building, are within the boundaries of the property and used for domestic purposes.*

*This does not include:*

- *Car ports or any structure that is open on one or more sides*
- *Caravans, mobile homes or motor homes*
- *Stables or agricultural buildings*
- *Aviaries or pigeon lofts*
- *Structures made of canvas, PVC or any other non-rigid or inflatable material”.*

There is no mention of garages within this definition. Furthermore, buildings are defined in the policy as “*the structure of the home including fixtures and fittings which form part of the property, including permanently installed Garages within the boundaries of your property*”.

I haven't seen any evidence provided by AI to show the garage at Mr and Mrs S' property was a temporary structure. I'd find it odd that a garage was built as a temporary measure.

Therefore, I see no reason why it would be fair for AI to class Mr and Mrs S' garage as an outbuilding. Therefore, I don't think its fair for the outbuilding policy limit to be applied. I think it's more reasonable for the general policy limit for contents (£75,000) to be applied for the claim.

2. Procedural flaws

Mr and Mrs S weren't given opportunity to salvage any items of their contents that weren't damaged by the incident. AI disposed of these items, without checking with Mr and Mrs S beforehand. I don't think this is a reasonable approach. This increased the loss for Mr and Mrs S.

For these reasons, I uphold this complaint. AI has an inventory of the garage contents which was disposed of, I understand this inventory is valued at around £11,000 and this is a valuation Mr and Mrs S appear satisfied with.

Therefore, as this valuation is lower than the overall policy limit of liability on the contents, I require AI to cash settle this inventory for the value stated (around £11,000). As the claim has been delayed due to AI's unfairly declining the full claim. I require AI to add 8% simple interest per annum (from the date a cash settlement of £3,000 was offered) to the date the cash settlement is paid.

I think the delays AI have caused has meant that Mr and Mrs have been without the use of the contents of their garage for longer than necessary, which has impacted their wellbeing given the garage and its contents were used to pass the time / as a hobby in retirement. I think it's likely to have caused distress, as Mr and Mrs S were worried AI wouldn't cover their loss. I think this will have been magnified knowing AI had thrown their belongings away having not being consulted. Therefore, I award £500 compensation for the distress and inconvenience caused.

### **My final decision**

My final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to:

- cash settle the contents claim based upon AI's inventory list and a valuation of around £11,000), plus 8% simple interest per annum (from the date a cash settlement of £3,000 was offered) to the date the cash settlement is paid.
- Pay Mr and Mrs S £500 compensation – for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 30 January 2026.

Pete Averill  
**Ombudsman**