

The complaint

Mr B complains about the way U K Insurance Limited (“UKI”) has unfairly declined a claim under the legal expenses section of his landlord insurance policy.

Where I refer to UKI, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I’ll only summarise the key events here.

- Mr B holds a landlords insurance policy, underwritten by UKI, effective from 30 October 2021.
- In February 2025, Mr B made a claim under the legal expenses section of his policy to pursue his tenant for property damage. He said the tenant had breached the tenancy agreement whilst they lived there by decorating the walls and they’d failed to return the property to its former condition when they vacated in October 2024. He’s obtained a quote to redecorate the property and carry out some small repairs, totalling over £3,000.
- UKI declined the claim on the basis that the first incident of property damage took place in July 2021, before the policy had started. It relies on the policy condition which states the date of occurrence of a claim must fall within the insurance period.
- Mr B doesn’t think UKI has declined his claim fairly. He says the tenant had only painted one wall in July 2021, which they agreed to repaint at the end of the tenancy. He couldn’t have known the tenant wouldn’t do so until they’d left. Furthermore, all other incidents of property damage took place within the policy period and it’s unfair to treat them all as a single event. He raised a complaint, which he brought to us.
- Our Investigator didn’t uphold the complaint. She was satisfied UKI had declined the claim in line with the policy terms and hadn’t treated Mr B unfairly.

As Mr B didn’t agree with our Investigator, the complaint has been passed to me to decide.

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’ve reached the same outcome as our Investigator, and for broadly the same reasons. Before I explain why, I wish to acknowledge the parties’ submissions in respect of this complaint. Whilst I’ve read them all, I won’t comment in detail on every single point that has been made. Instead, I’ll focus on the key points that are relevant to the

outcome I've reached. That's in line with our remit, which is to resolve complaints promptly and with minimal formality.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim. I've kept this in mind when considering Mr B's complaint.

The terms and conditions of Mr B's policy says it will cover:

"Dilapidations and Maintenance

We will pay costs and expenses to pursue your legal rights:

- 1. In a dispute with a tenant arising from a breach or alleged breach of the tenancy agreement which relates to the use or maintenance of the let property, excluding repossession, recovery of money, and dilapidations; or*
- 2. In a dispute relating to dilapidations to the let property."*

The policy sets out the conditions for cover, one of which is that *"the date of occurrence of the insured incident is during the period of insurance"*. The policy provides the following definition:

"Date of Occurrence

For civil cases (other than as specified under c to f below). The date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the date of occurrence is the date of the first of these events. (This is the date the event happened, which may be before the date you or an insured person first became aware of it.)"

Looking at the timeline of events, it's clear the first incident where Mr B's tenant breached the tenancy agreement relating to the use or maintenance of the property was in July 2021 when he painted a wall without permission.

At that time, Mr B emailed the estate agent to say the painting had been done without permission and to a poor standard. He said that when the tenant leaves, they'd need to repaint the wall to either a good standard, or back to its original colour. The estate agent responded to Mr B to say the tenant had been made aware.

I appreciate Mr B says it wasn't until the tenant vacated in October 2024 that he discovered the wall hadn't been repainted. But whilst this might be when the dispute arose or when Mr B decided to act regarding the breach of the tenancy agreement, it's not when the breach itself took place.

The breach itself took place in July 2021. And as Mr B received no assurances from the tenant that they'd comply with his stipulations about repainting the property before leaving, I can't fairly say this issue was resolved and therefore unrelated to the subsequent breaches. Rather, it's the first in a series of breaches by this tenant relating to the use or maintenance of the property. And whilst Mr B may have decided to overlook it at the time until the end of the tenancy, the policy is clear that the date of occurrence is the date of the event itself.

As such, I'm not persuaded UKI has rejected Mr B's claim unreasonably.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 November 2025.

Sheryl Sibley
Ombudsman