

## **The complaint**

Miss H has complained about Protector Insurance UK's decision to reject part of a claim she made under a buildings insurance policy. Protector applied its fraud exclusion.

## **What happened**

Miss H's apartment was damaged by an escape of water. She made a claim to the insurer Protector for damage to flooring, a sink, kitchen doors, and skirting.

Protector asked Miss H to provide quotes for the flooring and sink and kitchen repairs. It met Miss H's claim for flooring damage. But it rejected the remainder of the claim as it said Miss H had provided false information in relation to quotes she provided from a builder.

Miss H didn't agree with Protector's decision. She said she converted the quotations into a different format, but the information provided had not been adjusted by her. The sums and type of works remained the same as the builder's quotations. She provided evidence to show her communication with the builder and provided the details of the builder for Protector to contact.

Protector maintained its decision and didn't uphold Miss H's complaint. So Miss H brought her complaint to us.

One of our Investigators recommended the complaint should be upheld. He understood why Protector asked for more information in light of Miss H providing the quotations in a different format. But from the information Miss H gave Protector, he didn't think it was reasonable for it to decline the claim. He could find no evidence of an attempt to gain financially by transferring the information to a different format, and no evidence Protector had tried to contact the builder to confirm Miss H's response. The Investigator didn't think Protector had shown its decision to apply the fraud exclusion was reasonable.

So the Investigator recommended Protector reconsider the remainder of Miss H's claim. This should include any entitlement Miss H had to alternative accommodation while the flooring works had been done, which Miss H said she paid for herself. He recommended Protector pay interest at 8% simple interest a year on any claim related costs Miss H paid and for it to remove any fraudulent marker against Miss H's record.

The Investigator thought Protector should pay Miss H £500 for the distress and inconvenience its decision had caused her.

Miss H accepted the Investigator's view. Protector disagrees and wants an ombudsman to decide. It says Miss H submitted fraudulent documents which she had created herself. So it says it correctly applied the fraud exclusion under the policy.

## **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.

We don't decide fraud. But we can look at whether an insurer treated a customer fairly when it applied its fraud exclusion.

Protector's policy has the following term which it has relied on to decline Miss H's claim for works outside of flooring replacement:

*"5. Fraudulent Claims*

*If any claim made under this Policy by The Insured or anyone acting on behalf is false or fraudulent The Insurer may:*

*a) refuse to pay the claim;*

*b) recover from The Insured any sums that The Insurer have already paid in respect of the claim;*

*c) notify The Insured that The Insurer will treat the Policy as having terminated with effect from the time of the false or fraudulent act;*

*d) keep the premium.*

*In the event The Insurer terminate the Policy in accordance with this condition:*

*e) The Insurer will have no liability for any matter subsequently arising which might otherwise have been covered by the Policy; and*

*f) the termination of the Policy will not affect liability for matters otherwise covered by this Policy prior to the fraudulent act."*

So I think Protector's policy wording is clear.

Miss H has provided multiple screenshots of her communication with a builder under an online application. She explained to Protector that the reason why she converted the quotations provided by the builder to a word document was because the original format didn't look correct.

Protector doesn't seem to dispute that the content of the information Miss H provided in a different format was no different to the information originally provided by the builder. So I haven't seen anything to show me that Miss H altered any of the information in order to gain financially, or was dishonest in the representation of the builder's quotations.

I can understand why Protector asked for more information about the format of the quotation documents. But on receipt of the further information provided by Miss H, I find this was plausible and reasonable. Protector hasn't commented on the Investigator's statement that although it was provided with details of the builder, no attempt to verify the information received by Miss H was made.

The general definition of fraud is to provide dishonest or false information in order to make a gain. I can see no evidence that Miss H did this by transferring the details from one document to another. As I've said, I understand why Protector queried this. But having received a reasonable explanation with evidence from Miss H, I find Protector's decision to apply the fraud exclusion in this case to be unfair.

So I am upholding this complaint and agree with the Investigator's recommendations to put things right. I've no doubt Miss H has been caused distress and inconvenience by having the

remainder of her claim rejected, and for the reason Protector gave. Miss H says the works remain incomplete. I think a fair compensation award in this case is £500 to reflect the distress and inconvenience caused and is line with awards we give in similar cases.

### **My final decision**

My final decision is that I uphold this complaint. I require Protector Insurance UK to do the following:

- Reconsider Miss H's claim in line with the remaining terms and conditions of the policy.
- Where Miss H has paid claim related costs, Protector should reimburse her subject to reasonable proof.
- Protector should pay interest on this amount from the date Miss H paid to the date of reimbursement at a rate of 8% simple interest a year.
- Pay Miss H £500 compensation for the distress and inconvenience caused.
- Remove any fraudulent markers against Miss H's name from internal and external databases.

Protector Insurance UK must pay the compensation within 28 days of the date on which we tell it Miss H accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Protector Insurance UK considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Miss H how much it's taken off. It should also give Miss H a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 March 2026.

Geraldine Newbold  
**Ombudsman**