

The complaint

Miss W complains about the decision of U K Insurance Limited trading as Direct Line ('UKI') to repudiate her home insurance claim.

UKI are the underwriters (insurers) of this policy. Any reference to them in this decision can be interpreted as covering the actions of any agents they've confirmed were working on their behalf.

Miss W has had involvement from a family member during her claim and complaint. In this decision I'll only be referring to Miss W, as she is the eligible complainant.

What happened

The background to this complaint is well known to Miss W and UKI. I won't repeat in detail what's already known to both parties. Instead, in my decision I'll focus on the reasons for reaching the outcome that I have.

Miss W had home insurance with UKI. Following a fire at her property, she made a claim on the policy for damage to her property and some contents on 27 March 2024. UKI accepted the claim. During claim validation they identified concerns with the claim and formally made these known to Miss W on 27 March 2025. UKI said Miss W was unable to satisfy their concerns and they let her know on 27 June 2025 that they wouldn't be making any payment for the claim, cancelled the policy from the date of claim, retained the premium paid and shared details related to the matter with relevant fraud prevention agencies.

Unhappy, Miss W made a complaint. UKI didn't uphold that complaint and Miss W referred it to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld. As Miss W remains unhappy and the dispute remains unresolved, it's been referred to me for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

I'm sorry to hear of the impact of this fire on Miss W's life and her general physical and mental health. Miss W recently shared with our Investigator that she may be in an abusive relationship and our Investigator has correctly shared some further information about where Miss W may be able to receive advice or support.

The scope of this decision

It's the role of our Service to decide if, on balance, UKI have fairly reached their decision to

repudiate Miss W's claim in line with the policy terms, for fraud reasons. It's not my role to determine whether Miss W has committed insurance fraud. I'll consider a range of factors - such as the relevant policy terms, good industry practice, relevant legislation and relevant case law. I'll need to then decide if UKI have acted fairly and reasonably in the overall circumstances of the complaint.

I've noted that Miss W also complained about the delay in UKI returning possessions, including her clothes. Whilst this is not the main source of Miss W's dissatisfaction, for completeness, I'll consider this aspect under the general service provided.

Miss W previously referred an earlier complaint to our Service whilst claim validation was ongoing. This decision will consider events since then and up until the final response letter relevant to this complaint, dated 4 July 2025.

My key findings

Having carefully considered this complaint, I don't uphold it – for broadly the same reasons as outlined by our Investigator.

In their 'letter of concern' dated 27 March 2025, UKI have clearly set out why they required further information and/or an explanation from Miss W - initial alternative accommodation concerns, subsequent rental accommodation, delays in organising claim validation interview, living arrangements/electricity usage and delays in paying accommodation costs.

Miss W was then given a fair right of reply and I've carefully considered her detailed response to UKI. Her response did not satisfy all UKI's concerns and I consider their position reasonable. For example, Miss W provided an explanation for why electricity usage at the risk address remained relatively high whilst nobody was meant to be living there. But Miss W was unable to provide a persuasive, logical or plausible explanation for many of the other concerns UKI held.

UKI set out on 27 June 2025 their remaining concerns/reasons for considering that a fraudulent claim had been made. These included:

- Concerns around the costs of alternative accommodation ('AA') at two properties, the occupancy of AA, how it was arranged and paid for. This included that a property Miss W received payments from UKI for was owned by a company belonging to Miss W's partner, and that partner had been living with Miss W at the risk address.
- The failure of Miss W to provide requested supporting documents such as rental agreements and bank statements.
- Various contradictions, discrepancies and attempts to conceal facts by Miss W and a general lack of plausible supporting evidence.

I find UKI reached their fraud position fairly and in line with the policy terms and can substantiate it with persuasive supporting evidence, *after* Miss W has been given a fair right of reply. I say this for the below main reasons.

Miss W ought to have been able to quickly clear up many of the discrepancies surrounding this claim that were material, by providing supporting evidence that might normally be expected. Instead, there were delays, various contradictory explanations about how cash payments were made, a lack of supporting paperwork, non-plausible and differing explanations from Miss W and her family member involved in the claim on her behalf. This led to further doubts about the claim.

There was also a failure on Miss W's part to let UKI know that her partner who had been living with her at the risk address had a financial interest in a property that UKI were paying for. Miss W has said (bold added for Ombudsman's emphasis):

*"The landlord of the second property was the company, not [redacted by Ombudsman] personally... Nothing was hidden, and **there was no financial gain for anyone**".*

I'm not persuaded by this argument as Companies House records show that the referenced individual was the director of said company and the only employee. Although not a policy holder, I find that individual stood to benefit under this claim arising out of this contract of insurance – therefore it was material information that Miss W failed to share with UKI. I also can't overlook that Miss W recently provided a handwritten letter to our Investigator in which she told us:

"[Redacted by Ombudsman] will not leave my house...until his company has recovered the losses made when [UKI] didn't pay the...invoices...."

Miss W has attempted to distance herself from that individual and told us after our Investigator's assessment that person was not her partner and a breakdown in that relationship has occurred. She's said:

"[Redacted by Ombudsman] is not my partner. We do not share finances and do not live as a couple."

Whether Miss W means that person is no longer her partner or not, I'm satisfied the evidence supports they were her partner at the time of the claim and it was reasonable of UKI to assume that was correct and they stood to benefit either directly or indirectly by this claim. I say this because of the signed witness statement dated 7 November 2025 in which Miss W refers to that person as her partner on four separate occasions, evidence from her family member in their communication with UKI and also a third-party witness statement (a neighbour) dated 11 December 2025.

In their repudiation letter dated 27 June 2025 UKI said: *"we conclude that you have knowingly given us information that you were aware was untrue or misleading. We further believe that this was undertaken dishonestly and with the intention of making a financial gain for yourself or another party"*. Overall, I find:

- Miss W has not provided any sufficiently persuasive evidence that would undermine UKI's actions (repudiation for fraud) as being unfair.
- There were delays on UKI's part when responding to this claim. Given the complex validation enquiries that took place, it took longer than either party would've liked. But I don't find that compensation for this reason would be fair or appropriate.
- The policy terms (page 32, general conditions 'fraud') and the Insurance Act 2015 allow for the remedy that UKI has chosen to follow here. This includes the recovery of claim related costs by UKI. In the specifics of this complaint, our Service would not seek to interfere with the actions taken by UKI.

When reaching my decision, I've carefully considered if any mitigation applies that would undermine UKI's actions as being unfair (this includes what Miss W has told us about her health). But on balance, I've not found any fair mitigation applies that materially impacts the outcome of this complaint. My decision will be disappointing for Miss W given the implications for her, but it ends our Service's involvement in trying to informally resolve her dispute with UKI.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 6 May 2026.

Daniel O'Shea
Ombudsman