

The complaint

Ms P has complained about the service provided by Great Lakes Insurance UK Ltd ('Great Lakes') under her home insurance policy. For the avoidance of doubt, the term 'Great Lakes' includes reference to its agents and contractors for the purposes of this decision. The term Ms P also includes submissions made on her behalf by her representative.

What happened

Sadly, jewellery and items were stolen from Ms P's home in late 2024. There had been a damp problem at the home and so several contractors had entered the property and Ms P believed that a particular contractor had stolen her jewellery in late 2024. Ms P reported the matter to Great Lakes as her insurer and to the police in January 2025. She'd renewed the relevant policy with Great Lakes on 10 July 2024. Following initial investigations through its claims' validation team, Great Lakes declined the claim and issued its final response letter to Mr P's complaint in March 2025.

Ms P was unhappy that Great Lakes had declined the claim and she referred a complaint to this service. The relevant investigator didn't uphold the complaint as it was her view that the policy didn't provide cover in the event of a theft occurring when consent had been given for a contractor to be in the home. The investigator noted that Ms P also expressed concern about a mis-sale of the policy, the terms of which had changed despite an assurance that this wasn't the case. She explained that Ms P would need to make a fresh complaint to the insurance provider in this respect.

Ms P requested that the outcome of this complaint be reviewed, and in the circumstances, the matter was referred to me to make a further decision in my role as Ombudsman. I issued a provisional decision in January 2026 as follows: -

'The key issue for me to determine is whether Great Lakes applied the terms and conditions of the relevant policy in a fair and reasonable manner in declining Ms P's claim. On a provisional basis, I don't consider that Great Lakes did so, and I provisionally uphold Ms P's complaint. In reaching this provisional decision, I've also carefully considered the submissions of the parties as summarised below.

Turning firstly to Ms P's submissions, she provided background detail of her lengthy occupation of the housing association property, its state of repair having declined in recent years due to damp, which all had an impact upon Ms P's health. Ultimately vents were installed in the roof space and this led to various professionals, technicians and odd-job-men visiting the house. In the meantime, the damp had caused damage to items in the house and 'most alarming, the unaccountable disappearance of valuable jewellery'. She said that she knew that the jewellery was there in Spring 2024 and recalled checking on it when doing her spring cleaning.

Ms P didn't agree with Great Lakes' interpretation of the exclusion clauses which it had used to decline her claim. She said that she was clearly not using her home in connection with any trade, profession or business. She also felt that there was ambiguity in the terms and conditions and felt that any lay person would conclude that a policy wasn't adversely

affected by having tradespeople in the home providing those trades people weren't there in connection with the insured's trade or professional business.

As it was ambiguous or went to the root of the contract, she said that the exemption clause should be construed against the insurer. She was in a position where she was required to allow trades people into her home to effect repairs and redecoration as a term of her occupation. She said that if her insurer was correct, then she'd been paying premiums for over ten years, when it 'knew or ought to have known they could avoid indemnifying her in the event of a claim'.

I now turn to Great Lakes' response. It said that on reporting the matter, Ms P had confirmed that there was no sign of forced or violent entry to her home. In its final response letter, Great Lakes referred to the relevant terms and conditions regarding theft or attempted theft where there was no use of force or violence to get into or out of the home. It referred to receiving visitors in connection with any trade, profession or business. It also referred to the policy exclusion which stated that the policy didn't cover any loss, damage or liability arising out of the activities of contractors as defined under the policy.

Great Lakes accepted that a theft may have occurred however, it said that theft of this kind wasn't covered by the policy. It concluded that it was unable to proceed with a claim where items had been stolen by contractors working at the home and where there was no evidence of forceful or violent entry. Great Lakes' notes confirmed that Ms P provided valuations and receipts for the stolen items.

I now turn to the reasons why I provisionally uphold Ms P's complaint in this instance. The starting point for complaints of this nature will be the terms and conditions of the relevant policy. In this case, I've looked at the renewal information from July 2024. This does provide standard advice to the customer to read the details of cover carefully to make sure that the policy continues to meet their needs.

Here the policy does, in principle, cover loss and damage following theft from the home, and I can understand why Ms P may have felt that she would be covered in the event of a theft. However, the policy is also subject to certain exclusions and conditions, and this means that it doesn't cover all eventualities or theft in every set of circumstance.

In this case, the relevant section of the general Policy Exclusions states that the policy doesn't cover: 'Any loss, damage or liability arising out of the activities of contractors. A contractor is defined as any person, company or organisation working at or in the property, including where you are working in your capacity as a professional tradesman'.

The exclusion clause doesn't make it crystal clear whether it's referring to loss, damage or liability arising out of illegal or negligent activities of a contractor as well as mistaken or unforeseen consequences of their normal work activities. On balance, however, the most natural meaning of the phraseology is that it's intended to encompass contractors acting (albeit unprofessionally or negligently) within the course of their trade or profession, and not when acting outside of that role, with criminal intentions as a thief. Even if an alternative meaning could be ascribed to the clause, any doubt or lack of drafting clarity should be applied in the customer's favour.

In this case Ms P is adamant that the theft was carried out by a particular contractor. The police have issued a crime reference in relation to the theft and Great Lakes have accepted that the loss may have been due to a theft. In the circumstances, my provisional conclusion is that in principle, the policy does indeed cover a theft in such circumstances.

I now turn to the second exclusion clause which Great Lakes has relied upon. Under the

heading; 'Theft or attempted theft not using force and violence to get into or out of your home', the wording states as follows; 'Loss or damage while • The home is lent, let or sub-let to anyone other than your family unless force and violence has been used to get into or out of the home, • The home in which you live has not been lived in for more than 60 consecutive days • Your home is used to receive any visitors or paying guests in connection with any trade, profession or business' • Loss by deception unless the only deception was someone tricking their way into your home.'

Ms P suggested that the contractor had deceived her in the sense of gaining access to her home in order to carry out decorating work. She has repeatedly argued that she didn't conduct any trade, profession or business from her home, and has said that any work she carried out was away from her home.

The phrase 'Your home is used to receive any visitors or paying guests in connection with any trade, profession or business' is drafted in the context of the previous two exclusions which envisage use of the home for activities other than just as a home for the insured person. This would clearly make the property more susceptible to theft.

The most natural meaning of the exclusion clause is that it was intended to apply in circumstances where the insured person was the person who conducted a trade, profession or business from the home, rather than a home where contractors would carry out routine repairs or decoration from time to time. I'm persuaded that Ms P didn't conduct a trade, profession or business from the home at the relevant time. On a provisional basis, I also conclude that this exclusion clause doesn't support Great Lakes' decision to decline the claim. Even if an alternative meaning could be ascribed to the clause, any doubt or lack of drafting clarity should be applied in the customer's favour.

I appreciate that there is lack of clarity about the date of loss of Ms P's jewellery, however Great Lakes has accepted that a theft may have occurred, and on a provisional basis, I uphold the complaint. Clearly if the items are retrieved, whether following police action or otherwise, Ms P would be required to immediately inform Great Lakes who would be obliged [to] act accordingly. Based on the available evidence however, and on a provisional basis, Great Lakes must now proceed to fully consider Ms P's claim under the remaining provisions of the relevant policy.'

In issuing the provisional decision, the parties were offered the opportunity to respond with any further submissions and/or evidence for consideration, prior to the issue of 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.

Ms P stated that she was content with the provisional decision. Great Lakes didn't agree with the provisional decision and made further submissions. It considered that the following exclusion clause was strong, and in line with its decision to decline Ms P's claim. 'Any loss, damage or liability arising out of the activities of contractors. A contractor is defined as any person, company or organisation working at or in the property, including where you are working in your capacity as a professional tradesman'.

Great Lakes emphasised that the exclusion clause pointed to **any** loss, damage or liability. It added that it considered that a contractor that had been employed by the customer or housing association in this case, who caused a loss of any kind, was excluded under the terms here.

Whilst Great Lakes' argument is noted, I consider that the most natural meaning of the phraseology of this exclusion clause is that it's intended to encompass the '*activities of contractors*' whilst acting as contractors, whether this leads to unintentional, careless or negligent loss, damage or liability within the course of their trade or profession at a property. I'm satisfied that the natural meaning doesn't extend to activities of individuals which occur wholly outside that role, and more particularly, to criminal activities.

In the circumstances, I'm satisfied that the provisional decision provides a fair and reasonable outcome to this complaint, and my final decision is as follows.

My final decision

For the reasons given above, I uphold Ms P's complaint and require Great Lakes Insurance UK Ltd to proceed to fully consider, and then if validated, to promptly process Ms P's claim in accordance with the remaining provisions of the relevant policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 16 March 2026.

Claire Jones
Ombudsman