

## **The complaint**

Mrs L complains ERGO UK Specialty Limited has unfairly declined three claims she made for water damage under her contents insurance policy. She complains it also unfairly cancelled her policy and accused her of making fraudulent claims.

## **What happened**

Mrs L made three separate claims on her contents insurance policy for damage caused by water leaks, between July 2024 and February 2025.

ERGO looked into the claims, but at the end of February 2025 (after the third claim was submitted) it issued letters of concern to Mrs L. From its review it said the damage wasn't consistent with incidents described. And it said it thought photographs provided as evidence in these claims had previously been submitted as evidence in several escape of water claims with her previous insurer. It said it would consider her response before deciding on its next action.

Mrs L did respond but ultimately, ERGO declined the claims on the basis they had been fraudulently presented, and it cancelled the policy as a result. Mrs L complained about ERGO's decision, but it didn't alter its position and so Mrs L referred the matter to the Financial Ombudsman Service for an independent review.

Our Investigator didn't recommend the complaint be upheld.

Mrs L asked for an Ombudsman to consider matters. And she said she wouldn't be providing any further points – relating to her claims and complaint with ERGO.

As the matter hasn't been resolved, it has come 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.

ERGO has said Mrs L has acted in a fraudulent manner. To determine whether ERGO has handled this matter fairly, I've started by looking at the policy terms.

Mrs L's policy says that if a false or fraudulent claim is made, or a claim is supported by false or fraudulent documents, the claim won't be paid and the policy will be cancelled from the date of the fraudulent act.

Where an insurer raises an argument of fraud, this Service expects the insurer to support such arguments with appropriate evidence. I've reviewed ERGO's fraud arguments to determine whether it has acted fairly and reasonably.

Mrs L made three claims for water damage. Two were caused by a leak from a boiler (in August 2024 and February 2025 respectively) and another caused by ingress of 'dirty water' through a wall into her closet in July 2024.

ERGO was generally concerned that complaints for damage caused by leaks from boilers and into closets had been made to a previous insurer (but hadn't been paid). It also had

concerns that Mrs L hadn't provided any reports from anyone who had assessed the boiler, or the ingress of water, to confirm the damage had happened as Mrs L set out. And it further said that many of the clothing items seemed to have had black ink splattered on them, rather than water damage.

It also said that an historic claim with a previous insurer had been for damage caused by printer ink leaking onto clothes, with that ink escaping its cartridges as a result of a boiler leak. So it generally wasn't satisfied the damage had happened in the way Mrs L had described, and that these claims seemed to be very similar to claims made on previous policies. Based on the available evidence, I can understand ERGO's concerns here.

ERGO also had specific concerns about each separate claim which it shared with Mrs L. Mrs L claimed for a damaged pair of trainers following the boiler leak in August 2024. ERGO found a photograph of the same pair of trainers, showing almost identical damage, had been used in a previous claim with a previous insurer. And as above, on its face I can understand why ERGO would raise concerns in these circumstances.

In relation to the water ingress into her closet, Mrs L provided a photograph showing black mould on what looks like the inside of a wardrobe or closet. But ERGO found the same photograph, depicting an area of mould of the identical shape and size had been provided in support of a previous claim.

Mrs L provided photographs of a leather jacket Mrs L said was damaged the boiler leak in February 2025, but ERGO found the same photograph (showing 'damage' in identical places on the jacket) had been used in a previous claim, looked at by a previous insurer.

I think these similarities in damage and use of the seemingly the same photographs are justified reasons for ERGO to raise concerns. And I was also pleased to see ERGO gave Mrs L the opportunity to provide her response before it reached its conclusion.

In response Mrs L said that the trainers damaged in a previous claim had been replaced, and so the photographs she provided to ERGO were of her new replacement trainers, not the original ones she'd claimed for under a different claim. She also said the mould had reappeared in the same area, and that she had included the photograph of the leather jacket in error; it was a different leather jacket that had been damaged in February 2025. She also said no expert analysis had been done of the clothes to show it was ink, rather than water damage, and that ERGO had never attended her property to assess the claims.

Having considered matters I don't consider ERGO was unreasonable in not accepting Mrs L's explanation. Whilst she provided some receipts, I cannot see that she has shown she did replace the trainers she said were damaged in a previous claim. All of the receipts I've seen are for different types of shoes or different items. As such, I'm not satisfied she has shown she wasn't trying to claim for damage previously claimed for.

I'm also not satisfied it's most likely that mould has appeared in the same place as before, in the same shape and size owing to a completely new and separate ingress of water. I think it's more likely that Mrs L has used the same photograph to make a claim on this policy, as the one used to claim under a previous policy – particularly in light of the other valid concerns that ERGO has raised. Which means she has either not experienced further damage which she's now claiming for, or she is seeking to claim twice for the same water damage; that can reasonably be considered as fraudulently presenting a claim.

Whilst it seems Mrs L does have another leather jacket, which she provided a photograph for, and so it could have been a genuine mistake, I think the overall weight of evidence means ERGO acted reasonably in relying on the fraud term in its policy to refuse the claims

and cancel the policy. I think it's been reasonable in saying the claims presented are either false or have been exaggerated. And the legal position is that if a claim is exaggerated (i.e. some of Mrs L's items were damaged by a leak, but others were falsely presented) an insurer can refuse the entire claim, including any genuine parts.

I understand ERGO hasn't attended her property; however, it seems to me Mrs L told ERGO that she had to dispose of the items – so I cannot see that they'd be available for any expert analysis in any case.

And from reviewing the photographs, I can see why ERGO considers a lot of the damage to be from ink rather than water, particularly given the pattern of the damage and the very dark colour of the staining. Given all of the evidence considered, I think it's more likely than not that Mrs L has made fraudulent or exaggerated claims to ERGO, and so I'm not going to require it to do anymore to assess the claims or reinstate the policy.

### **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 Mrs L to accept or reject my decision before 14 May 2026.

Michelle Henderson  
**Ombudsman**