

## **complaint**

P, a firm of loss adjusters, acts for Mr N. He is unhappy that Society of Lloyd's won't pay his claim under his landlord unoccupied property policy in respect of an escape of water in the insured property, which consists of a block of flats.

## **background**

In 2015 Mr N took out an unoccupied policy with Lloyd's in his sole name, in respect of a property he said he owned with three other partners. In August 2017 he made a claim on the policy in respect of an escape of water which had caused damage to a number of the flats in the insured property.

The circumstances of Mr N's purchase were that in November 2013 his three partners had completed the purchase of the property which they'd bought at auction. The solicitor who acted made a statement that in February 2014 Mr N and the other three partners had executed a transfer into the names of all four parties. He said that the initial application to register the transfer fell into difficulties because the local authority had to give its consent. The seller's solicitors failed to co-operate and the matter "*fell into limbo*" for some considerable time. The registration of the title into all four names was completed in January 2018, ie after the claim was submitted.

After a full investigation of the circumstances Lloyd's declined the claim and voided the policy back to its start. It said that Mr N hadn't shown that he had an insurable interest in the property at the date of the claim. It wasn't satisfied that any transfer into Mr N's name had taken place until after the claim was made. At that stage no evidence of a written contract, deed of transfer or rejected land registry application had been produced. The February 2014 transfer had been mislaid. Lloyd's refunded all the premiums.

On referral to this service our investigator said that Lloyd's had acted reasonably. On the basis of the evidence that had been produced she couldn't say that Mr N had shown he had an insurable interest in the property at the time of the claim.

In response P produced a further statement from the solicitor concerned. He advised that the original transfer had been found which he produced. He further said that the parties had signed the transfer at his office in February 2014 and that he had received a payment from Mr N into client account. P also showed us an opinion from the managing director of a firm of legal case managers and expert witness report writers for claims related to the Land Registration Act. He said Mr N had an equitable interest in the property from the signing of the deed so had an insurable interest.

Our investigator pointed out that the transfer wasn't dated and maintained her view.

The matter has been referred to me for further consideration.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I should advise that this service acts as an alternative dispute resolution service to resolve disputes informally. We aren't in a position to resolve legal issues in the same way that a

court will eg we can't take evidence on oath or cross-examine witnesses.. What I have to be concerned with is whether, on the information it had, Lloyd's acted fairly and reasonably.

Mr N's assertion that he has an insurable interest in the property goes back to the meeting in February 2014 when, the solicitor says the parties met to sign a transfer from the three names into four names, Mr N being the fourth party. I haven't seen any contract nor any evidence from the other three parties involved. I think the best that can be said is that there was a verbal agreement between the parties that Mr N would own a share of the land. He appears to have transferred the money for his share into the solicitor's client account, though I haven't been shown any evidence as to how and when those funds were disbursed.

The evidence (including the "expert" opinion sought by P) turns on the fact that a deed was said to be executed in February 2014. Clearly a transfer deed was signed but it wasn't dated and I assume not sent to the land registry for registration (otherwise it would have been sent back). There was a transfer deed in November 2013 transferring the land from the original seller to the original three owners – it is referred to in the land registry entries. But the land register doesn't refer to a deed dated February 2014. The date of registration is in January 2018 and it doesn't appear that the signed deed from February 2014 was ever used. And the transfer from three to four partners, wasn't noted on the register. No doubt it wasn't thought necessary. But we are left with an undated transfer and no other documentary evidence of a contract or other such evidence.

Mr N can't make a claim as the sole policyholder when he doesn't have an insurable interest. And the best I can say from the evidence is that there was an intention to transfer an interest in the property to Mr N but it wasn't carried out until after the claim arose.

So I don't think that Mr N has been able to show that he had an insurable interest in the property at the time of the claim. So from the evidence Lloyd's acted reasonably in declining the claim and voiding the policy.

### **my final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 11 April 2020.

Ray Lawley  
**ombudsman**