

The complaint

Ms W complains Accredited Insurance (Europe) Ltd has responded unfairly to her claim made on her let property insurance.

What happened

Ms W owns a property she rents out. Tenants departed in February 2023. The property was left in a poor condition. She was quoted around £20,000 for cleaning and repairs. She claimed for the cost against her Accredited policy. She felt the damage was malicious or vandalism.

Accredited started investigating the claim. It had concerns about the cause of damage and various other issues. Months later Ms W was still waiting for a settlement. Frustrated with how Accredited was dealing with the claim she complained. It didn't issue a full response, so still unsatisfied she came to this service.

Accredited explained to this service that it hadn't settled the claim as it was unclear how damage to the property had happened. It said Ms W alleged the tenants or their associates had maliciously damaged it. But it felt the evidence pointed to damage caused over time by careless, unhygienic tenants - rather than from one malicious event.

In response our Investigator said photos indicated some potential malicious damage. So she suggested Accredited should consider covering that. It went on to consider Ms W's estimate for repairs. It felt that only around £2,300 of the £20,000 total was for damage that could be considered as 'malicious' – with the rest being wear and tear or resulting from lifestyle. Accredited said, despite that, it was willing to offer £5,000 to resolve the claim. It considered that the maximum amount payable under the policy for malicious damage.

Our Investigator felt Accredited's offer to be fair and reasonable. She agreed most of the damage didn't appear to be malicious – but instead due to carelessness. So she didn't recommend it pay more or do anything differently. As Ms W didn't accept that outcome the complaint was passed 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Ms W and Accredited provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

Ms W's policy covers her contents and buildings against 'malicious acts or vandalism'. Accredited, having assessed the property, feels only around £2,300 of repairs are for damage that could be considered 'malicious' – ie that done deliberately or with intent. Having looked at photos the property I can see it was left in a poor state. But I agree most of the

repairs or replacement do seem more likely to be required due to a careless lifestyle, lack of maintenance and wear and tear.

I'm not persuaded by what I've seen, including Ms W's estimates for repairs and photos, that more than £5,000 of the works are for what can be considered malicious damage or vandalism.

Ms W has said that it wasn't her tenants that caused the damage – instead it was vandalism or malicious damage by associates of theirs. Either way it doesn't make a difference to the outcome. That's because I'm not persuaded, by the evidence, there's more than £5,000 of damage that could be considered malicious or vandalism.

I accept it will be frustrating for Ms W to receive only £5,000 of the £20,000 she's claiming for. But it doesn't seem, based on what I've seen, that any of the remainder of the loss is likely covered by any of the causes or events her Accredited policy covers her against. These include storm, flood, fire, theft, escape of water, subsidence and accidental damage. So I consider Accredited's offer of £5,000 to settle her claim to be fair and reasonable.

Ms W's been unhappy about how long the claim took to process. She's also reported concern at how it approached its investigation. Accredited's said it was concerned about inconsistencies and various other issues. Having looked at the timelines and its evidence of its investigation I can't say it treated Ms W unfairly or unreasonably. I'm satisfied it was responding to reasonable concerns in a fair way.

My final decision

For the reasons given above, Accredited Insurance (Europe) Ltd is required to pay Ms W £5,000 to settle her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 8 January 2024.

Daniel Martin
Ombudsman