

The complaint

Miss P & Mr S complain that Highway Insurance Company Limited (Highway) declined they claim for damage caused by rats, under their home contents insurance policy.

I'll refer to Miss P in my decision for ease.

What happened

Miss P contacted Highway in mid-January 2023 when she noticed rats had damaged a number of items in her garage. She was told her claim would be accepted and was asked to upload photos of the damaged items, which she did. She had some difficulty doing so due to the size of files that could be accepted. After uploading the photos Miss P contacted Highway and was told her claim wasn't covered after all.

Miss P says this has caused her to become depressed and anxious. She's had to borrow money from her mother to replace some of the damaged items. She also had to pay for a skip to dispose of the rat damaged goods. Miss P says she hasn't made a claim in over five years. And says she was admitted to hospital at the end of March and in April 2023 due to the stress of the ongoing claim.

In its complaint response Highway says Miss P's policy terms exclude any loss or damage caused by vermin. It apologised that its agent told her that her claim would be considered and sent a cheque for £200 as compensation. But it didn't change its decision to decline Miss P's claim.

Miss P thought Highway had treated her unfairly and asked our service to consider the matter. Our investigator didn't uphold her complaint. She says the policy terms exclude damage caused by vermin. This means Highway made the correct decision to decline the claim. She says it should've told Miss P this at the outset. But felt its compensation payment for £200 was fair.

Miss P disagreed and asked for an ombudsman to consider her complaint.

It has been 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.

Having done so I'm not upholding Miss P's complaint. I'm sorry to disappoint her but I will explain why I think my decision is fair.

Miss P's policy terms, under the "*General Exclusions*" section, say:

"General Exceptions

Any loss, damage or liability caused by or arising from:

- *insects, parasites, vermin, fungus or mildew*

The section headed, “*Section 2: Contents*” explains that cover isn’t provided for, “*anything noted in the general exclusions section*”.

I can see that Miss P was told her claim would be considered and she should upload images of the damage. This was a mistake by Highway’s agent. Had its agent taken greater care, he could’ve identified the policy exclusion from the outset. Miss P wouldn’t then have wasted her time uploading images or been under the impression her claim would be paid.

That said I don’t think Highway treated Miss P unfairly when relying on its policy terms to decline her claim for damage caused by vermin. This cause is clearly excluded from her policy cover.

Highway didn’t manage Miss P’s expectations well. This caused her distress and inconvenience.

In these circumstances I think Highway should compensate Miss P for the distress and inconvenience it caused her. But I think its payment of £200 is fair. I’m sorry that she has suffered anxiety and depression and that she was admitted to hospital. I hope she and Mr S are now feeling better. But having considered all the evidence and circumstances of their complaint, I can’t reasonably ask Highway to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss P and Mr S to accept or reject my decision before 17 November 2023.

Mike Waldron
Ombudsman