

The complaint

Mr E complains Accredited Insurance (Europe) Limited declined his claim and avoided (treat it as though it never existed) his home insurance policy.

Any reference to Accredited includes its agents.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

On 18 January 2023, Mr E contacted Accredited to make a claim as a fire had started in his kitchen the evening before which caused significant damage. The fire brigade attended to assist in the emergency.

Due to inconsistencies with the information Mr E had given about the part of his contents claim relating to an iPhone, Mr E and his mother were interviewed in March and April 2023. Mr E and Accredited communicated further about his claim and, ultimately, its payment for his alternative accommodation stopped.

Accredited wrote to Mr E asking questions to clarify matters and Mr E responded. Soon after this, in early May, Accredited wrote to Mr E to let him know it wouldn't be paying his claim and had avoided his policy. It was also seeking to recover just under £5,300 from him for the costs it'd already incurred in his claim. It explained this was because it's satisfied Mr E breached the fraud condition in the policy by doing the following.

1. Attempted to claim for an item (the iPhone) he knew wasn't damaged in the fire.
2. Knowingly made numerous false statements about several matters including:
 - a. his iPhone being in use prior to the fire.
 - b. the placement of his iPhone in the kitchen by an individual unknown to him before he made a video recording of it the day after the fire.
 - c. the need for a new phone after the fire.
 - d. the alleged purchase of an iPhone 13 in late February 2023.

During Accredited's investigations, Mr E didn't think the delays and its decision to stop paying his AA was fair. So, he complained to our service. Accredited was given the opportunity to consider his complaint and confirmed in its final response letter (FRL) it didn't uphold Mr E's complaint. It said Mr E had made - and continues to make - conflicting statements and has failed to adequately answer the evidential discrepancies. So, it had relied on the fraud condition correctly.

Mr E didn't agree so he asked this service to review his complaint. He shared a report from Apple dated 19 May which says the device has come into contact with liquid and doesn't power on. Mr E explained there were hugely valuable items in the kitchen such as his new cooker, two boxes of jewellery, his laptop for university work, Air Pods, two expensive watches and his iPhone and so he doesn't understand why Accredited is focusing on his iPhone. He says he has no reason to lie – he's more than capable of buying another iPhone

as he has a great deal of savings and is very self-sufficient. Mr E also says he has spent time and money on his property so why would he risk it – as well as his own credibility and career - by lying about a phone.

The Investigators view was that Accredited had valid concerns about the claim and Mr E hadn't done enough to dispel those concerns. Overall, they didn't find any evidence the iPhone was damaged by the fire in the incident. So, they didn't uphold Mr E's complaint.

Mr E didn't agree with this. This matter has now been passed to me for a 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I've taken onboard all their points – although I'm not going to respond to each point individually. Instead, I've focussed on what I consider to be the crux of the complaint, which is whether Accredited have treated Mr E fairly by declining his claim and voiding his policy. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome. Where evidence is contradictory, I must reach my decision on a balance of probabilities – what I think is more likely to have happened given the evidence available and the wider circumstances. And I've come to my conclusions based on this.

Having done so, I must tell Mr E I'm satisfied the investigator has reached a fair outcome here. So, I don't uphold his complaint in this matter. I'll explain why.

Mr E wants Accredited to pay his claim. To decide if it should, I need to look at whether Accredited acted fairly and reasonably when it used the fraud condition of the policy to decline Mr E's claim. The fraud condition says the following.

'You must make any claim honestly. We will not have to pay any claim if you...make any false or misleading statements in connection with that claim.'

The policy gives Accredited the right to refuse to pay the claim and avoid the policy if this condition is breached. Further, it doesn't have to return the premium to the consumer and can recover any amounts it's paid relating to the claim, including any costs of investigating it.

Accredited said because of the discrepancies in information it'd seen, it carried out investigations to see if it was right to be concerned about this. I recognise Mr E was unhappy as he felt this was delaying his claim. However, I've seen inconsistencies in the information Accredited received from Mr E throughout the claims process. So, I don't think it was unreasonable for Accredited to undertake further investigations.

I've read the evidence from both parties including a summary of the interviews of Mr E and his mother. And I'm persuaded the information given to Accredited was enough for it to fairly say Mr E had – on balance – breached the fraud condition set out above. Below I've set out some of the key instances where I find this occurred.

Mr E's need for a new phone after the fire

In messages sent to Accredited on 24 January 2023, Mr E said '*Regarding payment for the iPhone and watch which was damaged in the fire, I need these funds today as I will have no phone or watch which is essential*'. On 25 January, he said '*...Can I get an update regarding my payment or my phone and watch replacement. I need my own phone for my work and everyday life. This is ridiculous! I am using a friends work phone to do what's expected...I is crucian [sic] that I get my phone replaced*'. However, when questioned later Mr E confirmed he was using his mother's spare phone and had been doing so before the fire.

In May 2023, Mr E explained he'd waited until his mother had confirmed she was happy to be in the claim so, after obtaining her permission, he informed the team the phone was his mother's spare phone. However, he feels the owner of the phone he was using has no relevance as he didn't own it and this should've been enough for Accredited to proceed.

I don't see things the same way. Mr E only confirmed it was his mother's phone when questioned about this by Accredited on different occasions. And I've seen no reason why he couldn't name his mother as the person who owned the phone he was using. Even so, the policy requires Mr E to act honestly and not make any misleading statements. When Mr E first told Accredited he was using a friend's work phone, this wasn't true.

It also seems to me more likely Mr E overstated the urgency of his need for a phone in his correspondence with Accredited after the fire. I say this because he'd had use of his mother's spare phone before the fire and for some time afterwards too, with his mother later confirming there was no return date.

Mr E's claim for a damaged iPhone in 2021 and the condition of his phone in 2023

In November 2021, Mr E started a claim for the iPhone which is now the subject of this complaint. The damage was recorded as '*cracking the screen and back of the phone*'. He didn't proceed with the claim as he said it'd be cheaper to have it repaired himself.

When examining the images from the 2021 claim and the images Mr E sent Accredited in relation to the fire in 2023, it's clear much of the damage shown on the phone in 2023 had been sustained previously and was the subject of the aborted 2021 claim. When responding to the FRL, Mr E explained he just stuck a case on as the damage didn't cause any issues with how a phone should work.

I accept it's possible Mr E continued to use his iPhone after the 2021 claim even though he didn't get it fixed. I say this because his phone looks as though it's had more wear and tear since the 2021 claim, consistent with use/being dropped. So, in my view, it's not possible to safely say it's more likely Mr E's phone was in full working order before the fire given the extent of the damage sustained over a year prior. And I think it's important to note he wasn't using his iPhone before the fire as he was already using his mother's spare phone.

Further, in the interview with Mr E's mother on 17 April, she said she'd lent Mr E her spare phone as his own phone was '*faulty*' and her phone had been left with him for some days or weeks before the fire. This also suggests it's more likely Mr E's phone wasn't in full working order before the fire.

I note Mr E says he and his mother had a heated conversation about her choice of words to say it was faulty as she actually meant it was cosmetically damaged. But I can't see any reason for his mother to use these words incorrectly or state this is why she'd lent her phone to Mr E if this was incorrect.

Based on everything I've seen, I can't say it's more likely Mr E's iPhone was in full working order before the fire.

Turning now to the issue of the condition Mr E told Accredited his iPhone was in before the fire. In response to questions about the condition of his iPhone in March 2023, Mr E said *'The phone was working and in complete useable condition with no issues or damage. This was a phone that I used frequently'* and *'...at the end of the day, I had a perfectly working iPhone [model]'*. On 20 March, during the interview, Mr E stated his iPhone *'was in full good working order at the time of the fire'*.

It's clear from the information supplied during the 2021 claim which showed significant damage to the front and back of his iPhone – which wasn't repaired – that it couldn't have been a perfectly working iPhone with *'no issues or damage'* by the time of the fire in 2023. So, I consider Mr E's statements to Accredited about the condition of his iPhone before the fire to be untrue.

Notwithstanding what I've said above, and irrespective of whether Mr E was actually using his iPhone before the fire (or was able to do so), I haven't seen any evidence to show it was the fire which deprived Mr E of the use of his iPhone.

Mr E says the damage shown in the photos from his 2023 claim show obvious damage which is consistent with other fire damaged phones he's seen online. I don't agree it's possible to say the same from the photographs alone. However, there's a report from Apple after physically examining the phone which refers to liquid damage - there's no mention of any fire related damage. I appreciate Mr E explains this is from the fire brigade putting out the fire, but I think it likely Apple would also mention fire damage if this had been present.

A new iPhone

On 20 March at interview, Mr E is recorded as confirming *'I bought a new iPhone 13 off [a selling site] to replace my fire damaged iPhone, I bought it from a guy in [location] but I cannot remember what I paid for it as it was on my mum's [site] account, this was around the end of January beginning of February.'*

Mr E's mother confirmed in her interview he'd bought an iPhone 12 on her account with a selling site in late February. However, when sharing the messages from this selling site with the interviewer, Mr E says to the seller *'I am picking up the phone for my neighbour. He's older and doesn't know how to do this kind of thing...'*

More recently, Mr E says he told Accredited's investigator he was buying a replacement second-hand phone, but he never went ahead as his mother said he could keep her phone. And, at the same time, he was helping his neighbour. His mother hasn't realised this as, at the time, they hadn't had a great deal of time to chat, and she got mixed up.

Whilst I can't say from this information what happened, it is clear that both versions of events given by Mr E can't be true. It's apparent from the interview summary Mr E said he'd *bought* an iPhone 13 – clearly describing when, how and who from. It's not now possible for Mr E to explain the discrepancies in what he told the interviewer and the information on his mother's phone by saying he told the interviewer he was *going* to buy a phone but hadn't yet done so and then changed his mind.

In light of this, I consider what Mr E told Accredited, about the iPhone he'd bought, to be misleading information.

The location of Mr E's iPhone during and after the fire

Mr E sent a video to Accredited which showed his iPhone beside the hob. When asked about the placement of his iPhone, Mr E said he didn't believe this was where it was placed. Four days later he said,

'I think it's disgusting that you keep questioning that I had another phone, the phone placement...that's just where the phone was placed. I didn't leave the phone there, it was next to the toaster, that's just where it was when I came back the next morning....I need that phone replaced'.

Accredited commented the soot, ash and debris had been disturbed on the surface by the phone and that, after the phone had been moved, there was no void or lesser burnt section of work surface where it was allegedly throughout the fire.

In response to the FRL, Mr E explained his iPhone was in the area of the hob, possibly placed on top of some things he had to the side of the hob. And he said his grandma may have moved it when she visited his home with him the day after the fire. He also said it could've been moved by the fire brigade or the commotion of the fire.

In response to the Investigators view, Mr E said he's now spoken to his grandma, and she moved it from the top drawer. And he didn't discuss this earlier as his grandparents have health issues, and he didn't want to bombard them with what's been going on.

Given the importance of Accredited's decision in this matter on Mr E's home and finances, it's surprising he didn't discuss this sooner with his grandma notwithstanding their health issues. I also find it difficult to accept Mr E's grandma:

- moved the phone when there's no reason for her to do this unless it was to hand it to Mr E - in which case he'd have been aware of how it came to this location;
- did this without making any marks in the soot, ash and debris on the phone; and
- failed to mention it to him at the time or at any point since the fire.

In light of the above, I think it more likely Mr E's account of the location of his iPhone during and soon after the fire has been misleading.

summary

I've looked at the information Mr E has provided and I consider his version of events has been inconsistent with both incorrect and misleading information being given to Accredited.

Mr E's policy says it doesn't have to pay any claim if the policy holder makes '*any false or misleading statements in connection with that claim*'. Based on the evidence I've seen, I think Accredited was fairly and reasonably concerned Mr E had made both false and misleading statements about his iPhone. This has the impact of Mr E making a claim which wouldn't usually be paid under his policy when the insured event was a fire and/or exaggerates the claim.

Overall, I think Accredited acted fairly and reasonably and in-line with the policy terms and conditions by declining the claim based on a breach of the condition relating to fraud. So, I'm satisfied Accredited acted fairly in voiding the policy and requiring Mr E to pay back the money it paid for the claim. I note it's also seeking to recover its investigation fees and I've seen no evidence to suggest these include anything other than its additional costs of investigating the fraudulent element of the claim. These are therefore something Mr E should also fairly pay.

I recognise Mr E feels strongly about this and will be disappointed with my decision. But my

decision ends what we – in trying to resolve his dispute with Accredited – can do for him.

My final decision

For the reasons set out above, I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 16 August 2023.

Rebecca Ellis
Ombudsman