

The complaint

Mr E has complained about the refusal of a claim under his home buildings insurance policy with U K Insurance Limited trading as Direct Line ("UKI").

What happened

Mr E had home insurance with UKI for many years. In January 2023, Mr E contacted UKI as a pipe had burst causing water damage to the property. Mr E told UKI that the leak happened on 28 December 2022 but he was not living there, as he was in the process of selling the property. Mr E said he'd put the property on the market in May/June 2022. A sale had been agreed but it fell through in October 2022.

UKI asked Mr E for copies of utility bills to show that the property had been occupied in the period before the leak happened, as Mr E's policy excludes cover for burst pipes if they are unoccupied for more than 60 days. In response, Mr E said the person that had been living in the property had closed their electricity account in June/July 2022, when they moved out, so he was unable to provide any bills.

In February 2023, UKI refused the claim, as it considered that the property had been unoccupied for more than 60 days when the leak happened and therefore was not covered.

Mr E is very unhappy with this and says there has been a breakdown of communication between UKI and its agents. He says he was not aware of the exclusion applied, as he did not get the policy documentation when it renewed in September 2022,

One of our Investigators looked into the matter. She did not recommend that the complaint be upheld, as she did not think that UKI had acted unfairly or unreasonably in refusing the claim.

Mr E does not accept the Investigator's assessment. He has made a number of points in support of his initial complaint and in response to the Investigator. I have considered everything he has said but have summarised his main points below:

- The Investigator has clearly taken the business's side.
- He told UKI many times that he had moved address but it was never considered.
- As UKI didn't record his correct address and mobile number he did not receive the renewal documents in September 2022 and was not aware of the policy terms about occupancy.
- UKI apologized for having the wrong number and address, thereby admitting its mistake but the Investigator has not considered this properly.
- He spoke to many different people at UKI, who were clearly not familiar with the case notes. This went on for many months.
- UKI and the Investigator should have spoken to his lawyer and estate agent regarding the sale of the property and the advice he received from them, which was to move out early. Nobody leaves moving out to the final day.
- The only time he was aware of the 60 day ruling was when the investigation seriously began in April 2023.

- He repeatedly said the property was not rented out but family and friends were allowed to use it when he was working away. UKI was also aware of this but falsely accused him of renting the property out with no evidence, which is disgusting.
- He said his partner moved out, as he was away working, in late July 2022 and his partner had called UKI in 2022 to tell it about the change of address but the recording of this call is not available.
- He got the policy documents in 2021 but these are irrelevant to a claim made in 2023.
- UKI made fundamental mistakes which has never been highlighted and his points were either dismissed or not properly reviewed.

As the Investigator has been unable to resolve the complaint, it has been passed to me.

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.

Policy terms

Mr E's policy provides the following cover:

"Your buildings are covered for loss or damage caused by

Water or oil escaping from fixed water or heating systems

We also cover water or oil escaping from:

- > underground drains and pipes*
- > domestic appliances*
- > storage tanks.*

X We don't cover:

** loss or damage when it has been more than 60 days since you last slept at your home on a regular basis (which doesn't include occasional visits or stays)."*

The policy also states:

"Changes that may affect your cover

You must tell us as soon as possible about any changes that could affect the level and/or cover of your insurance, eg:

- > you change the address where you normally live ...*
- > you let your home out to tenants or a lodger moves in."*

This is in my opinion, sufficiently clear and unambiguous. The policy does not cover damage caused by escape of water if it is unoccupied for more than 60 days at the time of the loss. This term is also not unusual or inherently unfair; and is common to almost all home buildings insurance policies that I am aware of. The policy also requires the policyholder to tell it of any changes, including regarding the occupancy of the property.

As Mr E had said to UKI at the outset of the claim that he was not living in the property, it asked for information about who was living there. Mr E says UKI falsely accused him of renting the property out and became confused about the situation.

I do not agree. In the evidence provided to me it seems Mr E has given different information at various stages in the claim. In January 2023, Mr E called UKI to ask for copies of his policy documents, In that call he talked about the need to get copies of utility bills and said *"the person that used to be in his house"* had left in June 2022 and as they went to another property, they no longer had access to the bills for his property.

He has also said that he and his partner had moved out, as it was being sold and that his partner moved out in late July 2022.

UKI also provided evidence that a claim had been notified on Mr E's policy in 2021 by someone that said they were his tenant.

Mr E also suggested that he let relatives stay in the property if he was not using it but has not provided any convincing evidence it was occupied after June 2022

I do not think I need to make any finding as to whether the property was rented out or not, as I do not think it makes a difference to the outcome of the complaint. However, I think UKI made reasonable enquiries of Mr E to try and establish if the property was occupied.

Having considered all the evidence available to me, it seems more likely than not to me that the property was unoccupied since end of July 2022 (or earlier), which is more than 60 days before the date of the damage (*i.e* December 2022). The policy exclusion does therefore apply and there is no cover for the damage.

Mr E has said he was advised to move out by his agents and lawyers, in preparation for the new buyer, and that we and UKI should have contacted them to confirm this. We would not normally contact third parties to obtain evidence on behalf of either party in this way. But in any case, it doesn't matter why Mr E moved out, only that the property was unoccupied.

I therefore consider that the claim is excluded from cover, as the policy does not cover escape of water if the property has been unoccupied for more than 60 days at the time the damage occurs and the property was unoccupied.

Mr E has also suggested the policy terms should not be applied as he was not aware of them, as he didn't receive the September 2022 renewal documents. I will consider this below.

Should the policy terms apply?

Mr E confirms he received the renewal documents in September 2021. This is the policy that was in force at the time he says he moved out of the insured address.

He says his partner phoned UKI in 2022 to inform it that they were moving out but he has not confirmed the phone number this call was made from or the date it was made despite requests. UKI says it has no record of any call.

I have listened to two call recordings between Mr E and UKI, one in January 2023 when he called to ask for a copy of his policy documents. In that call Mr E updated his address with UKI. There is no mention in that call that Mr E had previously changed the address. Mr E says that UKI apologised to him in this call thereby admitting its mistake with the address.

I do not agree that UKI apologised for not having his current address in that call or in any way indicated that it should have had his new address already.

The second call is one from April 2023. In this call Mr E was explaining to UKI that he had not been aware of the 60 day exclusion applied to his claim, as he had not received the policy renewal documents in September 2022. He did not mention in that call that he or his partner had update UKI with their new address. Instead he said that because of the move he had not told UKI his new address and the policy documents went to the insured address. He said: *"the problem with this as well with regards to the policy we moved but actually didn't sort ... on our behalf, it's our fault the policy went to the address where the damage was done ... I take responsibility ..."*

Having considered all the evidence available, I am unable to conclude that UKI was at fault for not changing the address before the renewal in September 2022. The policy was delivered to the correct address that UKI had on its records at the time. The fact Mr E might not have been aware of the particular exclusion applied, does not mean UKI is not entitled to rely on it.

Mr E also says that he had the same email for the entire time he had the policy but UK didn't have that. There is no evidence to establish that this was UKI's fault but in any case it seems the email address was not used to send the renewal documents to Mr E (apart from when he asked that the documents from September 2022 be sent by email urgently) so this would not have made any difference to this matter. .

However even if Mr E did inform UKI that he had moved and it was its fault he did not get the renewal documents, I'd need to be satisfied that he would have done something differently if he had received those documents. As the occupancy term is common to most household insurance policies and was the same in 2021 and 2022, I am not persuaded it is likely that Mr E would have done anything differently even if he had seen the renewal documents in September 2022.

Other matters

Mr E is also unhappy with the way the claim was handled. He says he was falsely accused of renting the house out; every point he raised was dismissed and it is clear in the call recordings that UKI was not clear in what they were saying to him.

I have listened to the phone calls and looked at the evidence provided to me. I do not agree that UKI mishandled the claim. As stated above, it had cause to think the house was being rented out and made reasonable enquiries about that. I also don't think it took an unreasonable time in doing so and giving Mr E its decision. While I can understand Mr E's disappointment that his claim is not being met, I do not think UKI handled the claim unfairly or unreasonably.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 September 2023.

Harriet McCarthy
Ombudsman