

## **The complaint**

Mr and Mrs K complain that UK Insurance Limited trading as Churchill Insurance ("Churchill") declined a claim made on their home insurance policy.

Mr K has brought the claim on behalf of himself and his wife so I'll refer to Mr K throughout this decision.

Any reference to Churchill includes its agents.

## **What happened**

Mr K has contents insurance with Churchill. The policy started in April 2020 and has renewed each year.

Unfortunately there was a break-in at his home in September 2022 and so he reported the matter to the police.

Mr K said a number of items were stolen from his property including jewellery and a watch. There was also some damage to his home. Mr K reported the burglary to Churchill. He says there was around £10,000 worth of items taken.

Churchill declined his claim on the basis he had previously claimed for his watch and gold coins in 2020 with a different insurer. It also said Mr K hadn't successfully substantiated his claim, and they believed Mr K was fraudulently making the claim. But Mr K says the watch and coins he is claiming for are different to the ones he previously claimed for.

Mr K wasn't happy with the service he received from Churchill and so he complained. He wants Churchill to reconsider his claim.

Churchill said it reviewed the claim repudiation letter and agreed the correct decision was made. It said it was satisfied the fraud condition had been breached. Churchill said Mr K initially claimed for gold coins and when it asked him for further information including his wedding video Mr K advised he was no longer claiming for the gold coins. Churchill made enquiries with the previous insurance provider who confirmed a claim for the same brand of watch and gold coins was made with them previously. Since Mr K was unable to provide a satisfactory explanation for this the claim was declined. Churchill said it considered Mr K had deliberately provided inaccurate information and so the policy was cancelled from 4 October 2022.

Because Mr K didn't agree he referred his complaint to this service. Our investigator looked into things for him. He said he was satisfied Churchill acted reasonably when it declined the claim and cancelled the policy. He said Mr K hadn't provided Churchill with a plausible explanation for the inconsistencies, and so it was reasonable for Churchill to invoke the fraud condition.

Mr K didn't agree. And so the complaint has come 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.

I'd like to start by assuring both parties that I've considered all the information provided to me as well as comments from both sides. But I've commented on what's relevant to the outcome of this complaint.

I appreciate Mr K has experienced a difficult time during the course of the claim and I can see this has been a stressful experience for him. Mr K feels very strongly that Churchill has treated him unfairly.

Having considered all the evidence I'm not upholding the complaint. I appreciate Mr K has been through a difficult time and I know this isn't the answer he wanted; I empathise with the position he now finds himself in. So I will explain my decision below.

The relevant industry rules say an insurer should handle claims promptly and fairly, and it shouldn't unreasonably reject a claim. So I've thought about whether Churchill acted in line with this. The fraud condition in Mr K's policy says, *"you must be honest in your dealings with us at all times. We will not pay a claim that is in any way fraudulent, false, or exaggerated. If you, or any person insured under this policy or anyone acting on your behalf attempts to deceive us or knowingly makes a fraudulent, false, or exaggerated claim your policy may be cancelled, we may reject your claim and any subsequent claims, we may keep any premium you have paid."*

The policy goes on to say, *"we have the right to cancel any other products you hold with us and share information about your behaviour with other organisations to prevent further fraud."*

In relying on the condition quoted above the onus falls to Churchill to show that it has been breached. It's important to note that it isn't my role to decide whether Mr K has acted fraudulently or not. Rather, I've needed to think about whether Churchill came to a fair and reasonable conclusion that Mr K breached the fraud condition, based on its investigation and its evidence. And I'm satisfied that it did come to a fair and reasonable conclusion in this instance.

Churchill has provided notes from its investigations and I can see it has looked into things thoroughly. Where there were inconsistencies in what Mr K had told it, it has raised these concerns, and sought explanations from Mr K, which I think was reasonable. Churchill believed the items being claimed for were previously claimed for in 2020 when Mr K held cover with a different insurer. And based on the evidence I've been provided with, I think Churchill assessed the matter fairly, and came to a reasonable conclusion that the fraud condition had been breached. Mr K reported the theft in September 2022. At the time, he said the items taken were 47 large gold coins, 13 medium coins, two of his wife's necklaces, a ring with five stones in it, three watches, and around £700 in cash. In a later conversation, Mr K said he was claiming for five watches, two of which belonged to his wife.

Churchill appointed a claims investigation company to validate the claim. I think this is reasonable given the likely value of the items being claimed. The report from the claims investigation company recommended further investigation into the claim prior to any settlement due to the lack of substantiation. Of the items being claimed for, only one watch had been substantiated by way of a photograph of Mr K wearing a watch. There was no evidence to validate the remainder of the items being claimed for.

The terms of the policy say, *“for any claim you must: give us any relevant information and evidence that we ask for, including proof of ownership of the lost or damaged item.”* The notes show there were a number of times when Churchill requested information or evidence from Mr K in respect of the claim; in particular for the watches and the gold coins. But the information Mr K provided wasn't enough to substantiate the claim.

During its investigation Churchill learned Mr K had made a previous claim and, when it looked into this further, it noted some of the items claimed for in the previous burglary were the same as those Mr K was currently claiming for; such as a watch gifted to Mr K on his birthday with his children's names engraved on the back, and some gold coins gifted to the family. So Churchill asked Mr K for an explanation of how these items, which were previously claimed for, were being claimed for again. Churchill wasn't satisfied with the explanation provided by Mr K, or with the evidence provided. Churchill is entitled to satisfy itself that all aspects of the claim are as they have been presented.

For the relatively large value items being claimed for and, given Mr K suffered a similar incident two years before, I'd expect him to be able to provide some evidence that he and his family owned the items. But Mr K said he couldn't provide anything more than the photographs and the details of where the gold coins were purchased from.

Having listened to the calls between Mr K and the claims investigation company, and Mr K and the insurer, I'm satisfied it treated him fairly. Churchill had concerns about the claim and questioned him about these. Churchill also gave Mr K the opportunity to explain the inconsistencies in the information he provided, and to provide additional evidence to support his claims.

Based on what I've seen and heard there were a number of things Churchill would reasonably have concerns about. These include:

- During the course of the claim Mr K said his watch had been stolen. He said the watch was personalised for him, a black watch with his children's names engraved on the back. Mr K explained it was a birthday present from his wife. The same watch had already been claimed for in the previous 2020 claim.
- In the initial call to report the incident to his insurer Mr K said the coins weren't all from the visit abroad, and that the coins had been collected over time such as for birthday gifts for the children. In the call with the claims investigation company Mr K was asked whether all of the coins were taken, and he said they were all in one place in a bag, some of them came from their wedding, and some from a visit abroad earlier in the year. Mr K also said he has pictures and a video from his wedding when the coins were given to him.
- Mr K described the stolen ring as one with five stones but the picture he sent in to validate the claim showed a ring with only one stone. Mr K said he sent the wrong picture. But no evidence of the five stone ring was subsequently provided.
- Mr K says his previous claim settled at around £12,000; for a television, a wardrobe, and some valuables. But the previous claim settled for almost £20,000 and included a personalised watch, jewellery, and some gold coins.

- Mr K claimed for gold coins in his previous claim in 2020 but told the claims investigation company that in 2020 the gold coins were kept at a relative's home, and that they were actually stolen in 2022.

Based on the above I think it was fair for Churchill to consider there was likely a breach of the fraud condition, given the above, and some concerns it had about the inconsistencies in the information provided by Mr K.

In order for an insurer to fairly invoke the fraud condition in an insurance policy the insurer needs to show it is more likely than not that the condition was breached. Having reviewed the information provided in this case I'm satisfied Churchill conducted a fair and reasonable review of the claim and didn't act unreasonably in light of the evidence received. The fraud condition in Mr K's policy allows Churchill to void the policy, keep the premiums and decline the claim. So I'm satisfied it acted fairly in taking these steps.

I know my answer will be disappointing for Mr K but having carefully considered the complaint I think Churchill acted fairly and within the terms of the policy. So I won't be asking it to reconsider Mr K's claim.

### **My final decision**

For the reasons explained above I don't uphold Mr K's complaint about UK Insurance Limited trading as Churchill Insurance.

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

Kiran Clair  
**Ombudsman**