

The complaint

Mr G and Mrs G have complained that esure Insurance Limited (esure) unfairly declined a claim under a home insurance policy and said it had been mis-sold to them.

As Mr G mainly dealt with the claim and complaint, for ease, I will normally only refer to him.

What happened

Mr G contacted to make a claim when a ceiling collapsed in his home. esure investigated the claim and declined it. It said there was no cover under the policy because building work was taking place at the property at the time.

Mr G complained to esure. He said he had spoken to esure before the policy renewed and had been told there was cover during building works. When esure replied, it said the call handler could have been clearer during the call but there still wasn't cover under the policy.

So, Mr G complained to this service. Our investigator upheld the complaint. He said Mr G had actively sought information from esure on whether the policy provided cover during building work. The lack of clarity from esure influenced Mr G's decision to take out the policy with esure, rather than him seeking cover elsewhere. So, he said esure should reconsider the claim subject to the remaining terms of the policy and pay Mr G £100 compensation.

As esure didn't agree, the complaint was referred 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.

Having done so, I uphold this complaint. I will explain why.

Mr G's ceiling collapsed, while building works was taking place at his property. The works involved a loft conversion and it is my understanding that the collapsed ceiling was directly below those works. esure seemed to consider the claim under the accidental damage part of the policy. I've looked at the policy terms and conditions. The accidental damage section had an exclusion that said: "*We will not pay for loss of or damage to Your Buildings ... to any alterations or extensions to Your Home until the alteration or extension is complete*". esure declined the claim because of the ongoing building works at the property.

Mr G has said that he specifically checked whether esure provided cover while building works were taking place and it had confirmed it did. He said he would have sought cover elsewhere had esure explained there was an exclusion in place. esure has accepted that its advice during the renewals process could have been clearer but said it still wouldn't provide cover for the claim. So, I've thought about this.

I've listened to the phone calls where Mr G discussed the renewal. During the first phone call, Mr G asked whether esure could reduce its renewal price and said he had been looking

for quotes elsewhere. esure confirmed it had offered its best price. Mr G then said he would be having buildings work carried out and asked about cover. esure explained the process and said *"It doesn't affect your policy. It's just that you want the buildings work covered at the time"*. esure said the works wouldn't affect the policy or the premium, but that Mr G would later need to increase the number of bedrooms listed on the policy.

In the second phone call, Mr G phoned to discuss the building work and the number of bedrooms there would be at the property when it was completed. esure added an extra bedroom to the policy and told Mr G the new premium.

Based on what I heard, in my view, had esure explained about the changes to his cover while works took place, Mr G wouldn't have renewed the policy. Mr G specifically raised the building work to check whether esure offered cover. Based on what esure said, I think it was reasonable for Mr G to think the building work wouldn't affect his cover. Mr G has said he would have arranged a policy with a different insurer if esure had told him there wasn't cover during the building work, I think that is consistent with the conversation with esure. Mr G told esure he was looking at other policies. I also think Mr G was likely to have been able to find a policy elsewhere that would have provided cover during the works, even if he had to pay an additional premium or buy a specific policy to cover this. But, instead, he relied on the information provided by esure that he would have cover in place.

So, I think esure needs to reconsider the claim based on the remaining terms and conditions and as though the policy offered cover during building works. I also think esure has caused Mr G and Mrs G distress and inconvenience because of how it dealt with the renewal of the policy and the impact this then had on the claim. So, I think esure should pay Mr G and Mrs G £100 compensation to recognise the impact on them.

Putting things right

esure should reconsider the claim based on the remaining terms and conditions and as though the policy offered cover during building works. It should also pay £100 compensation.

My final decision

For the reasons I have given, it is my final decision that I uphold this complaint. I require esure Insurance Limited to:

- reconsider the claim based on the remaining terms and conditions and as though the policy offered cover during building works
- pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 1 February 2024.

Louise O'Sullivan
Ombudsman