

## **The complaint**

Mrs F complains Covea Insurance Plc unfairly declined part of her residential property owners insurance policy claim.

Mrs F's been represented for the complaint. For simplicity I've referred to the actions of the representative as being those of Mrs F.

## **What happened**

In March 2022 Mrs F made a claim against her Covea residential property owners insurance policy. She said a departed tenant had caused extensive damage to her property – including the building of a partition wall and changes to the kitchen and bathroom. The insurer accepted her claim for damage to a boiler and a passageway – against the perils of 'malicious damage' and 'escape of water' respectively.

But Covea declined her claim for the bathroom, kitchen and partition wall. It said there was no cover for that. It described what had happened as poor standard alterations the tenant had carried out without permission – but importantly without any intention of causing damage. So it didn't accept the insured peril of 'malicious damage' nor any other applied. Mrs F complained but Covea maintained its position. It said the tenant had made the alterations to the property to suit their living arrangements.

Mrs F wasn't satisfied so came to this service. She's spent more than £13,000 on repairs. She wants Covea to cover this as malicious or accidental damage and pay her loss of rent.

Our Investigator considered the complaint. She didn't feel the loss could be considered as accidental or malicious. Nor did she feel it could be considered to meet any other peril covered by Mrs F's policy. So she said Covea had made a correct decision on the claim. Mrs F didn't accept that outcome, so the complaint was 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mrs F and Covea have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

Mrs F's policy covers her for damage to the property caused by various listed insured perils – up to the sum insured for each item shown in her schedule. The perils include '...malicious persons' and 'accidental damage'.

The key consideration is whether any damage should be considered to have been caused by 'malicious persons'. The policy doesn't provide a definition. This service generally considers damage to be malicious if the person who did it intended to do harm. Standard dictionary definitions also refer to an intention to cause harm.

Covea's accepted the boiler damage as malicious. It's said this was a spiteful attempt to cause harm. But it contrasts that with what happened to the kitchen, bathroom and partition wall. It denies with these there was an attempt or intention to cause harm or damage. Instead it considers them purposeful alterations made to suit the tenants' lifestyle or living arrangements.

In summary Mrs F argues Covea are applying a too restrictive understanding of 'malicious'. She says harm or damage doesn't need to be the primary intent of the person. Instead damage caused intentionally, whether the primary objective or not, is malicious if there is a recklessness or disregard to outcome of their actions.

I've some sympathy for Mrs F's argument. But it's for her to show that the damage she's claiming for is covered by the policy. Unfortunately, even if I accept her definition, she hasn't provided enough for me to say what happened with the kitchen, bathroom and partition wall was caused by a 'malicious person.'

Both Mrs F and Covea responded to my request for any photos that might help me understand the nature and extent of the damage. Mrs F's images show the property in a very poor condition. However, her images appear to show the property after stripping out for repairs had started. This is demonstrated by the absence of tiling, fittings and other features shown in Covea's loss adjuster's photos. So, unfortunately, Mrs F's images provide a very limited insight to the nature and extent of the damage caused by the tenant.

The images in Covea's loss adjuster's report show what can fairly be described as poor-quality unfinished alterations. The loss adjuster provides a description of the kitchen, bathroom and partition – including the removal and replacing of fittings. This can also be said to describe low standard and unfinished alterations.

I've considered Mrs F's description of the property's condition, her points about building regulations and her expenditure on refurbishment. However, there just isn't enough evidence of the condition or standard of the 'alterations' for me to show there was most likely an intention to cause harm or a recklessness in the tenant's actions. Instead, from what I've seen it seems the tenant had made, or was in the process of making, alterations to make the property better suite their lifestyle. That in itself isn't a malicious act. For the same reasons I can't fairly say any damage should be considered 'accidental damage'.

So I can't say Covea unfairly declined the relevant parts of Mrs F's claim.

### **My final decision**

For the reasons given above, I don't uphold Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 14 September 2023.

Daniel Martin  
**Ombudsman**