

The complaint

Mr P complains that AA Underwriting Insurance Company Limited (AA) refused to pay some of his claim for water-damaged contents.

What happened

The background to this complaint is well-known to both parties. So, I've set out a summary of what I think are the key events.

Mr P claimed under his buildings and contents insurance, underwritten by AA, after an escape of water damaged his home and contents. AA settled most of the claim but it refused to pay for some items, including shoes, window blinds, and electrical items, amongst other things. AA said Mr P hadn't provided evidence that he owned all of the items, or that they were all damaged.

Mr P complained to AA, but it remained of the view that the policy didn't provide cover for the declined items. So, Mr P brought his complaint to us.

Our investigator didn't think AA had fairly considered some of the items it declined. She said AA had reasonably declined cover for some things, such as the shoes, because Mr P's evidence didn't show damage. However, our investigator thought AA should pay for a replacement window blind, an extractor fan, a large duvet, and an electric blanket. She said AA should pay interest on the settlement.

AA didn't agree. It said the policy only provided cover where there was evidence of damage, and Mr P hadn't provided it.

I issued a provisional decision in February 2024 explaining that I was intending to not uphold Mr P's complaint. Here's what I said:

provisional findings

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So, my role is to look at how AA handled the claim and whether it turned down some of Mr P's claim reasonably in the circumstances.

The policy sets out the detail of the contract between Mr P and AA, so I've looked at that to begin with to see what each party should've done.

Mr P demonstrated that he'd suffered an insured event, and he provided evidence of most of his loss. AA accepted the claim, but it declined cover for the things Mr P hadn't evidenced. The policy says that Mr P shouldn't dispose of any items until AA had a chance to inspect them.

Based on the policy wording, I think it's fair to say AA needn't have paid for any items which Mr P couldn't prove he owned or had been damaged.

I've looked at the list of items our investigator thought AA should settle, and at its objections to the proposal. AA commented as follows:

- *Window blinds – it paid for the curtains at the same window because Mr P provided evidence they were wet. But the photos don't show a blind installed at the same window and Mr P hasn't provided any evidence of the damaged window blind.*
- *Large duvet – AA said duvets can be washed and Mr P hadn't provided any evidence that it was ruined.*
- *Electric blanket – Mr P didn't provide any evidence that he had an electric blanket, or that it had been damaged.*
- *Extractor fan – AA said there was no evidence that the fan was broken and, because Mr P had disposed of it, AA couldn't inspect it.*

The photos provided show a duvet on the bed, although it's not clear that there's any damage. I haven't seen any evidence of the remaining three items at all. While I have no reason to doubt that Mr P owned these things and that they were damaged, I can't just disregard the terms of the policy. The policy says Mr P shouldn't've disposed of the items before AA had the chance to inspect them. He did dispose of them, so I can't say it's unreasonable for AA to refuse to pay.

I understand from Mr P's evidence that he showed the duvet and blanket to the agent who inspected his home on behalf of AA, who said they were beyond repair. Again, I have no reason to doubt what Mr P says. However, there's no mention of them in the loss report, and I haven't seen any photos confirming ownership and damage. So I can't say that it was unfair for AA to decline cover for these items.

In summary, AA paid for the damage which Mr P evidenced, but it refused to pay for the items mentioned here, along with other things such as shoes and cushions. But, based on the information available, I think AA settled the parts of the claim that Mr P proved, and it refused to pay for the items which he couldn't show he owned or had been damaged. I think that's fair and reasonable in the circumstances, and in line with the policy terms and conditions. Therefore, I see no reason to ask AA to pay anything more.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Responses

Neither Mr P nor AA responded to my provisional 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.

In the absence of comment from either party, I reconsidered the evidence.

Having done so, I've decided not to uphold Mr P's complaint for the same reasons I gave in my provisional decision.

AA accepted Mr P's claim and settled those parts for which it received evidence of loss. I don't doubt that AA's agent saw some of the items, or that Mr P suffered loss which he can't evidence. But I must be fair to both sides and, unless he can provide some form of evidence to show his loss, I can't reasonably ask AA to pay any more of his claim. That's because the policy terms and conditions clearly state that AA must have the opportunity to inspect any damaged items claimed for.

While AA declined some of the claim, it also said it would reconsider any item for which it receives evidence of ownership. I think that's fair and in line with the policy. Therefore, I see no reason to require AA to do anything more in respect of Mr P's complaint.

My final decision

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 April 2024.

Debra Vaughan
Ombudsman