

## The complaint

Mr K complained that his claim for damage caused by a moth infestation was unfairly declined by Acromas Insurance Company Limited ("AIC") under his home contents policy. He also thought his claim was poorly handled. Mr K had representation during the claim, but for ease and simplicity, I'll only refer to Mr K.

## What happened

Mr K made a claim for damage caused to his carpets. AIC appointed a surveyor to review and validate the claim. The surveyor provided a report to AIC which concluded that moths had caused significant damage to the carpets throughout the house.

On reviewing the report, AIC decided to decline the claim. It said that when Mr K made the claim, he'd provided information that showed the problem had been ongoing for over a year. So, AIC declined the claim due to a general exclusion in the policy for damage arising from *"gradual causes or wear and tear"*.

Mr K thinks this decision is unfair. He believes his vulnerable circumstances and his inexperience has led to him not understanding the cause of the marks on his carpet. He said when he did realise what was causing the issue he put in his claim. He wants his claim to be paid in full.

AIC acknowledged it could've handled the claim better. It said, *"the Agent you spoke to should've explained we would need to have a report before we can make a decision"*. AIC paid Mr K £150 compensation for the distress and inconvenience this caused.

Our investigator decided not to uphold the complaint. She thought there was evidence Mr K knew about the damage for some time and hadn't met his obligation under the policy to tell AIC about the damage at his *"earliest opportunity"*. She thought AIC had been fair to say the damage had occurred gradually, so was reasonable to apply the exclusion from the policy. She agreed the service received could've been better, but she thought the £150 compensation already paid was reasonable in the circumstances. Mr K disagreed, so the case has been referred to an ombudsman.

## 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 appreciate Mr K's circumstances has made him vulnerable and he's had a really difficult time. Unfortunately, I'm not able to make things easier for him as I'm not able to uphold this complaint. So, I won't be asking AIC to settle the claim. I know this will be a real disappointment, but I'll explain my reasoning in reaching this decision. I think AIC has been fair in applying the general exclusion clause for gradual causes or wear and tear. I appreciate Mr K's vulnerable circumstances may possibly have led to him providing inaccurate information as to when exactly the start of the damage was noticed. However, I do think there is sufficient evidence that the damage had been ongoing for some

time. On at least two separate occasions, Mr K informed AIC that the problem had been ongoing for over a year.

I appreciate Mr K said he didn't know what was causing the damage at first. I can understand this, as I'm not sure everyone would identify immediately that the cause of the damage was moths. However, the policy clearly states, "*when you know you may have to claim under this policy, you must tell us at your earliest opportunity*". I think even if Mr K didn't know the exact cause of the damage, he would've still known there was damage, so he should've reported this to AIC much sooner than he did. Then, I think AIC could've investigated it and identified the cause. This would've allowed some interventions to be put in place to mitigate further loss before the moth infestation spread further through the house.

As AIC weren't afforded the opportunity to mitigate the loss, I think it has been fair in relying on the exclusion cause for the reason I set out.

I've reviewed the policy to see if there is any peril outlined in the policy that would cover Mr K for the damage he's suffered. But, unfortunately, as with many policies, they don't cover every single eventuality, but instead cover specific risks such as theft, flood or accidental damage. I can't see that there is any other part of the policy Mr K could claim for this loss. I think if the loss was presented to AIC as soon as it was observed (possibly before the cause was known), then it would've been likely the claim would fall under accidental loss as it was unexpected and sudden in nature.

However, as the loss has been ongoing for some time, for the reason I have set out I think AIC has been fair to decline the claim. So, I don't uphold this complaint.

I've also considered how the case has been handled. I think AIC has investigated the loss thoroughly, but it perhaps set out the wrong expectation for the process at the start of the claim. I think it has apologised for this and in paying £150 compensation, I think it has fairly assessed the level of distress and inconvenience caused to Mr K. I would have awarded a similar amount myself.

### **My final decision**

My final decision is that I don't uphold this complaint. I don't require Acromas Insurance Company Limited to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 August 2023.

Pete Averill  
**Ombudsman**