

The complaint

Ms G and Mr B have complained that Great Lakes Insurance SE ('Great Lakes') declined their claim under their home emergency policy.

For the avoidance of doubt, the term 'Great Lakes' includes its agents, contractors and representatives in this decision letter.

What happened

Ms G and Mr B contacted Great Lakes in August 2022 to say that a mouse had been in their property for a few weeks, but the mouse (or possibly a rat) had started making loud scratching noises under the floorboards. They therefore sought assistance from Great Lakes as their home emergency insurer. The contractors used by Great Lakes were unable to attend immediately and Great Lakes informed Ms G and Mr B that they could instruct their own contractors to carry out the necessary work and send Great Lakes the invoice for this work. Ms G and Mr B duly made a claim on the policy as they'd incurred costs of around £1,400 to remove the rodents and prevent further entry. However Great Lakes declined to cover all costs but agreed to pay just over £300 for rodent removal. Ms G and Mr B then complained to Great Lakes however, it maintained its decision to decline part of the claim.

Ms G and Mr B therefore complained to this service. The relevant investigator didn't uphold the complaint, as he considered that Great Lakes had acted in line with the terms of the policy. He said he hadn't been provided with evidence that Great Lakes told Ms G and Mr B that it would cover the costs of future-proofing the property. It was his view that Great Lakes was correct to cover the cost of immediate removal of rodents only.

Ms G and Mr B were unhappy with the outcome of their complaint. The case has therefore been referred to me to make a final decision in my role as 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.

The issue for me to determine here is whether Great Lakes acted in a fair and reasonable manner in applying the terms and conditions of the home emergency policy in the way that it did, and in declining part of Ms G and Mr B's claim. I've concluded that, on the balance of probabilities, Great Lakes did act in a fair and reasonable manner. I'll explain the reasoning for my decision below.

Ms G and Mr B said that they called Great Lakes in August 2022 because they'd seen a mouse at their home and that a mouse or rat had started making scratching noises under the floorboards. They said that Great Lakes agreed that treatment would be covered, and it put them in touch with their contractors. The contractors were unable to attend in what Ms G and Mr B considered to be a reasonable timeframe, however Great Lakes had agreed that Ms G and Mr B could arrange treatment independently and provide invoices. The contractor

engaged by Ms G and Mr B said that the standard treatment involved a multi-stage process, being the laying of bait and then blocking up holes in the walls and drains.

Ms G said she called Great Lakes back twice shortly after her original call to Great Lakes, and specifically asked whether both steps of this process were covered, because she thought the website was unclear whether blocking up the holes to prevent vermin entering the property would be considered a temporary or permanent repair. Ms G said *'The person I spoke with explicitly said YES this was covered'* and she said, to paraphrase, *'do what you need to fix the problem'*. Ms G considered all treatment steps were necessary to ensure the temporary measures were successful. She said *'this is analogous to replacing a broken window to avoid further rain damage'*. She said that an e-mail from Great Lakes the same day explicitly referred to 'repairs' covered by the policy and didn't define what constituted a temporary, as opposed to permanent, repair. She said that this contributed to her understanding that repairs to the entry holes, was covered by the policy.

Ms G said she sent an email to Great Lakes to provide an update on the process, but received no response, so she felt that Great Lakes had the opportunity to correct any incorrect advice and it didn't do so. Ms G had emailed a request that it listen to the correct phone call but didn't receive a response. In total Ms G and Mr B sought a further £1,110 in costs (mouse proofing with one year guarantee £540, installing a drain stopper and replacement of defective manhole cover and frame £570). Ms G said that this was incurred in reliance upon Great Lakes' advice that these costs were covered and assumed they'd be covered to arrange repairs to stop rodents returning.

Ms G also provided recent submissions which explained that their contractor had advised that there were different steps for treating mouse and rat infestation. For rats, this involved blocking entry and then injecting rat bait under the floorboards. She said that in this case, the insurer decided to pay for only one step of the treatment for mice and no steps for rats. She said *'This is inconsistent and the policy did not state that rats and mice were covered differently.'* Ms G then repeated what she considered to be the analogous example of a broken or damaged window. She said that, *'without blocking holes, the mice and rats would have immediately returned to the property, necessitating continuous re-baiting work.'*

In conclusion, Ms G and Mr B assumed they'd be covered to arrange repairs to stop rodents returning, and what they'd done wasn't a permanent fix. Ms G added that the work done was temporary in nature, *'including stuffing steel wool into holes, and temporarily closing gaps in floorboards with duct tape and silicone, until such time as we could properly repair the holes.'* She said if they'd known it wasn't covered, they wouldn't have spent money on temporary work and would have sought quotes for a more affordable solution. Finally, she said that even if the insurer was correct that closing up gaps wasn't covered, this wasn't clearly communicated and felt she'd sought additional clarity on this. She said that following her explicit question, she was *'still left with the impression that it was covered. I believe the average reasonable person would have formed the same view as me.'*

I now turn to what Great Lakes have said about the matter. It declined to cover the costs incurred by Ms G and Mr B to fix a drain and manhole, and for mouse-proofing of the property. It confirmed that it had listened to the initial telephone call made by Ms G and Mr B which confirmed that Great Lakes would be sending contractors. It said that there was no mention of it agreeing to, or accepting responsibility, for any maintenance or preventative work once the immediate problem of the rodents had been resolved.

Great Lakes said that the purpose of a home emergency policy was *'to remove or deal with the immediate emergency at hand'*, which would be to remove the rodents present at the property. It said its contractors had confirmed that if they'd proceeded with work, they would have removed the vermin only and any 'futureproofing' of the property wouldn't have been

undertaken. It also said that there was nothing in the policy to suggest that it would be liable to cover the costs of any maintenance works to prevent this issue re-occurring in the future. Additionally, it said that the policy confirmed that Great Lakes didn't deal with any damage caused by vermin. It therefore considered that it had made the correct decision to decline to reimburse the additional invoices provided by Ms G and Mr B for maintenance works.

As for the letter it sent to Ms G and Mr B on the date of the initial telephone calls in August 2022, Great Lakes said that this explained the invoice procedure. It asked for a full description of the works completed, the cause of the issue and what the contractors needed to do to complete the repair on a temporary basis etc. It stated *'We would like to remind you, as per the Home Emergency policy wording, we will only cover temporary repairs allowing for permanent repairs to take place up to maximum of £.....[left blank]. Permanent repairs are not covered under your Home Emergency Policy.'*

The starting point for my determination in this matter is the wording of the relevant policy. The home emergency policy here clearly covers policyholders in principle for *'...removal of vermin where there is evidence that infestation has occurred inside your home.'* The definition of *'home emergency'* in the policy includes: *'A sudden and unforeseen incident occurring at your home which:...Makes your home unsafe or insecure for you.'* The policy terms and conditions also make it clear that in the event of such a home emergency, Great Lakes would pay the costs of; *'Temporary repair to resolve emergency situations.'* There are also a number of standard exclusions in the policy, to include the following; *'Incidents that occur as part of day-to-day living, such as:...Any system, equipment or facility reaching the end of its expected working life'*

I note that Great Lakes has settled the part of Ms G and Mr B's claim in relation to rodent removal. The policy terms and conditions are clear that the most that will be provided for is a temporary repair to resolve emergency situations, and to resolve the immediate danger or problem. In ordinary circumstances therefore, I consider that the wording of the policy would be sufficient for an insurer to reasonably decline to settle a claim for preventative or permanent repairs regarding vermin. I note from Ms G's recent submissions that the specialist contractors advised that the treatment for mice was different to that for rats and that blocking up of holes would be the preliminary step as regards rats. When Ms G first reported the matter however, she referenced having seen a mouse in the weeks running up to the claim. As the steps identified by Ms G and Mr B's contractor for removing mice involved baiting, it would have been fair and reasonable to have firstly carried out this temporary work to see if this resolved the immediate emergency.

I note that Ms G and Mr B considered that mouse-proofing work was temporary only as it included *'stuffing steel wool into holes, and temporarily closing gaps in floorboards with duct tape and silicone'*. I don't agree however, and I consider that this would be stretching the clear definition of a home emergency in the policy in the context of vermin, where the emphasis is upon *'removal'* rather than prevention of future infestation. Vermin *'removal'* is specifically referenced in the policy, and I don't consider it to be analogous to the broken window scenario. It makes sense for homeowners to future-proof their properties and ensure that permanent repairs are made, however it isn't the purpose of a home emergency policy to cover such costs. I appreciate that futureproofing then reduces the likelihood of future claims. I also appreciate Ms G and Mr B's frustration and disappointment that their responsible actions in arranging for holes to be blocked to avoid future rodent access, isn't covered by the policy, however unfortunately this is the effect of the policy's wording.

As for the installation of a 'drain stopper', I consider that this is clearly a permanent measure to avoid future infestation. I'm also satisfied that the replacement of a defective manhole cover and frame is permanent work to resolve an ordinary maintenance issue. In the circumstances, I consider that Great Lakes has fairly and reasonably applied the terms and

conditions of the policy in declining to meet the additional invoices in the sum of £1,110. This is supported by the fact that Great Lakes' contractor confirmed that it would have arranged for removal of vermin only and not preventative measures under the policy.

Notwithstanding the above conclusion regarding application of the policy wording, the second key question to be addressed is whether Great Lakes failed to treat Ms G and Mr B in a fair and reasonable manner in all respects. Ms G said that she was given explicit advice by Great Lakes' representative that Ms G and Mr B would be covered for blocking holes at the property, and that Ms G and Mr B were induced to proceed with this work as a result of the assurance.

Ms G said that the explicit advice was given by the representative in the third of three telephone conversations at the beginning of the claim. I've therefore carefully listened to all three telephone calls. In the first, I note that Ms G reported the fact that there had been a mouse in the home, and Great Lakes' representative provided initial details of the claims process. In the second call, Ms G gave further details of the incident. The representative said that he would arrange for a contractor to contact Ms G and he explained that the claims limit. In the third call, a further representative said that Ms G and Mr B could use their own contractor, as the Great Lakes couldn't attend until the following Monday. I note that Ms G specifically asked whether temporary repairs applied in the case of vermin, and if blocking up of holes was needed, whether they needed to do it in a temporary way. I have some sympathy with Ms G and Mr B in this respect as the question wasn't directly answered and the representative didn't give a clear answer. He referenced both permanent and temporary fixes, but then corrected himself and said that a temporary fix should get rid of the problem.

I note that the representative then reaffirmed the exclusion by reading out a standard disclaimer. This confirmed that Ms G and Mr B were covered for resolution of an emergency on a temporary basis to allow for a permanent repair to take place, and that a permanent repair element wasn't covered under this policy. In the circumstances, I don't agree with Ms G and Mr B that the representative had explicitly confirmed that blocking of the holes was covered under the policy. I also don't agree that he'd said something to the effect; '*do what you need to fix the problem*'. In addition to this however, the letter sent to Ms G and Mr B by Great Lakes that day, made it clear that it would only cover temporary repairs which allowed for permanent repairs to take place. It made it clear that permanent repairs weren't covered.

In a further telephone call, Ms G said that perhaps all the invoices should have referred to temporary measures in order to meet the policy. However, this wouldn't have been appropriate. I'm satisfied that future-proofing the property and carrying out repairs to a manhole cover and drain didn't amount to temporary measures. In the circumstances, I can't say that Great Lakes acted unfairly or unreasonably in the way it handled this claim.

I appreciate that this decision will come as a great disappointment to Ms G and Mr B. It's appreciated that the complaint will have taken time and significant effort and the submissions have been well argued. However, I've concluded on the balance of probabilities that Great Lakes applied the specific wording here in a fair and reasonable manner.

My final decision

For the reasons given above, I don't intend to uphold Ms G and Mr B's complaint and I don't require Great Lakes Insurance SE to do any more in response to their complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr B to accept or reject my decision before 31 August 2023.

Claire Jones
Ombudsman