

The complaint

Miss M has complained about the amount Ageas Insurance Limited has paid in settlement of part of her claim under her home insurance policy for property that she has said was damaged due to an escape of water in her home.

What happened

Miss M made a claim after a pipe burst in her home and damaged the building and a number of her possessions. There were some delays on the claim, but Ageas eventually agreed to accept it. It arranged repairs to Miss M's property and agreed to pay the replacement cost of the damaged contents. However, it did not agree to pay in full for seven items, which Miss M has said Ageas's recovery agent, who I'll refer to as M, put in her back garden and later came back and took away.

The items concerned are:

- Fellowes shredder CRC-32258
- HP printer SNRRH-1202
- Samsung laser multijunction CLX-318SFW
- Fellowes shredder PS80C-2
- HP Photosmart 3200 series - SDG0B-0501-02
- HP Compax computer tower 13GP088AM0C0-1HZ
- Acer computer tower - Aspire X3960

Ageas has said these items were not listed by M as being removed from Miss M's home by them. And if M thought they were damaged M would have listed them and taken them away to be PAT tested. But M has no records of PAT tests for these items, which Ageas has suggested supports its view M didn't remove them. Because of this and the fact Miss M couldn't provide proof that she owned them, Ageas only paid her £500 for them as a goodwill gesture. And Ageas confirmed in a final response letter that it would not pay more than this for the items.

Miss M asked us to consider a complaint about this. One of our investigators did this. He said he thought what Ageas had offered was fair.

Miss M didn't agree with the investigator's view and asked for an ombudsman's decision. She said she had a witness who could testify that the abovementioned items were left in her garden by Ageas.

I issued a provisional decision on 11 April 2024 in which I set out what I'd provisionally decided and why as follows:

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've provisionally decided to uphold it and make Ageas settle Miss M's claim

for the seven items referred to above.

I appreciate Ageas has said that M has no record of the items being taken out of Miss M's property and left in the garden. However, this would mean Miss M has lied to gain a financial advantage, i.e. she has said the seven items concerned were damaged in the escape of water at her home and removed by M when they weren't to get Ageas to meet her claim for them. This would be fraud. The terms of Miss M's policy say if any of her contents are damaged beyond repair by an escape of water Ageas will replace them as new or pay their replacement cost as new. Ageas hasn't done this and has instead only paid Miss M £500 as a goodwill gesture for them, which is much less than their replacement cost as new. Ageas has said it has done this on the basis it does not accept they were damaged in the escape of water or that Miss M owned them. This means Ageas doesn't believe that Miss M owned the items or that they were damaged by the escape of water. So, it is, in effect, suggesting Miss M has lied about the ownership of and what happened to these items to gain a financial advantage.

It is not in dispute that Miss M had a large escape of water in her home, in which it is likely electrical items would have been damaged. And we know at least one television was damaged. It is also not in dispute that there were electrical items in Miss M's back garden which M removed. And it is hard to see why these items would have been in the garden for any other reason other than them being damaged in the escape of water at Miss M's home. It is also highly unlikely that Miss M would say she could provide a statement from a witness who would confirm they saw M put these items in the garden if she was actually unable to provide this. Ageas hasn't provided any photographs of the back garden of Miss M's property soon after the escape of water to show the items weren't left in it. And it has not asked Miss M to get her witness to provide a statement. Plus, I've not actually seen the original list of items removed from Miss M's home by M without the abovementioned items on it. Bearing all this in mind, along with Miss M's testimony, which is strong evidence in itself, I do not consider Ageas has done enough to show the abovementioned items that Miss M has claimed for weren't damaged in the escape of water and that Miss M lied when she said she owned them and that they were damaged in the escape of water.

I do of course appreciate Miss M hasn't provided receipts or manuals for any of the items concerned. But she has explained the ones she did have were damaged in the escape of water and – presumably – thrown away with lots of other paperwork. This would be fairly typical following a large escape of water on the scale of the one in Miss M's property. And the fact she hasn't got manuals or receipts for the items doesn't in itself prove she didn't own them.

In view of what I've said, I consider the fair and reasonable outcome to Miss M's complaint is for Ageas to settle her claim for the items listed above in accordance with the claim settlement terms in her policy. If Ageas decides to do this by a cash payment, it should add

interest to the amount due to Miss M at 8% per annum simple from one month after she submitted her claim to the date of payment. This is to compensate her for being without funds she should have had. Of course, Ageas may decide to provide new replacements for the items, which it would be entitled to do under the terms of Miss M's policy.

I also think Ageas's handling of this part of Miss M's claim has been very poor. It has effectively accused Miss M of fraud without having sufficient evidence to prove this. And I do not think it properly considered her testimony or investigated why the items were in her garden carefully enough. This clearly caused Miss M unnecessary distress and inconvenience. And I think Ageas should pay her £300 in compensation to reflect this.

My provisional decision

For the reasons set out above, I've provisionally decided to uphold Miss M's complaint and make Ageas Insurance Limited settle her claim for the items listed above in accordance with the claim settlement terms in her policy.

I also intend to make Ageas pay Miss M £300 in compensation for distress and inconvenience.

I gave both parties until 25 April 2024 to provide further comments and evidence in response to my provisional decision. I then allowed Ageas an extension.

Miss M hasn't provided any further comments or evidence.

Ageas has responded with further comments and evidence. It's said it held no concerns about how the claim was presented by Miss M. So it would not have felt it appropriate to cite fraud or use a fraud condition. It's said that just because there is no record of the items in the property it doesn't mean Miss M has lied to gain a financial advantage. So it does not think it ever effectively accused Miss M of fraud.

It's pointed out none of the items were listed in any of the reports provided to it or on the Beyond Economical Repair (BER) list. So it thinks none of the items were seen within the property by M or the loss adjuster during site visits. It's also provided an email from M stating that on their first visit the items listed above were in the garden of her father's house next door. And they couldn't say whether they had been damaged by an insured peril, as they had been outside for a while.

Ageas has gone on to say that where items haven't been inspected it gives the customer the opportunity to present their claim with proof of ownership in accordance with the policy terms. And they will try to give the benefit of the doubt where possible. It's pointed out Miss M was unable to provide the necessary documents to support ownership, so it didn't consider settlement in full was appropriate.

Ageas has said that it believes the witness Miss M mentioned was her father and that even if it had obtained a statement from him, it would not have addressed the ownership issue.

Finally, Ageas has said if it remains my view it should settle Miss M's claim for these items in full it would like me to reconsider the period I am awarding interest for if it does so in cash. It's said that given the complexity of the claim one month would not have been enough time for it to settle the claim. And it wasn't notified of the abovementioned items by Miss M until September 2022.

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 have of course noted Ageas's comments, but I do not agree with its view that its approach did not effectively suggest Miss M lied to gain a financial advantage. Miss M said the abovementioned items were in her home and damaged by the escape of water and were not listed by M for some reason. But Ageas has referred to the fact that they were not on the BER list M provided or other reports it received. I can only take this to mean it doesn't think the reason for this is that M missed them off the BER list despite removing them from Miss M's property. If this is the case, it means Ageas doesn't believe Miss M's version of events and therefore thinks she is lying.

As I said in my provisional decision, it is not in dispute the items were outside Miss M's property. M has said they were in the garden next door, but they saw them. So, either they were damaged by the escape of water or had been scrapped by Miss M or her father for some other reason and put in the garden. It seems highly unlikely that these sort of items would all have been scrapped at the same time and it is highly unlikely that this happened around the same time as Miss M suffered a significant escape of water in her home. Or that she or her father saw this as an opportunity to get rid of unwanted electrical items and put them in the garden to make it look like they were items damaged by the escape of water.

Bearing all this in mind, I do not feel Ageas has considered this matter objectively or given it careful enough consideration. And it remains my view that it is most likely the items were damaged in the escape of water at Miss D's home and put in the garden by M, but not listed by them initially for some reason.

I appreciate Miss M can't provide proof of ownership of the items. But she has explained why this is, as mentioned in my provisional decision. And I think the reason is plausible bearing in mind the extent of the escape of water at her home. So, this doesn't alter my view that Ageas should settle Miss M's claim for these items in full.

I've noted what Ageas has said about interest and I accept it would probably have taken longer than a month for it to investigate, consider and pay this sort of claim under normal circumstances. So, I have decided to award interest from two months after the date Miss M made her claim. I do not consider the fact Miss M didn't make Ageas aware of the abovementioned items until September 2022 is relevant. I say this because I think they were removed from her property by M on their first visit and they forgot to list them. Had this not happened they'd have been part of Miss M's claim from the outset.

It also remains my view that the way Ageas handled this aspect of Miss M's claim caused her a great deal of distress and inconvenience. And I'm satisfied £300 in compensation is appropriate for this.

Putting things right

For the reasons set out above, I've decided to uphold Miss M's complaint and Ageas must do the following:

- Settle Miss M's claim for the items listed in my provisional decision in accordance with the claim settlement terms in her policy.
- If Ageas pays cash for any of the items it must add interest to this at 8% per annum simple from two months after Miss M made her claim to the date of payment.*
- Pay Miss M £300 in compensation for distress and inconvenience. Ageas must pay the compensation within 28 days of the date on which we tell it Miss M accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

* Ageas must tell Miss M if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Miss M if asked to do so. This will allow Miss M to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Miss M's complaint about Ageas Insurance Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 June 2024.

Robert Short
Ombudsman