

## **The complaint**

Mr M is unhappy Great Lakes Insurance SE didn't pay everything he claimed for under a rent deposit guarantee policy.

## **What happened**

Mr M is a landlord. His tenant took out a rent deposit guarantee policy. Great Lakes is the underwriter of the policy and Mr M is the beneficiary. After his tenant left the property without notice last year he made a claim for rent arrears, damage, cleaning, and clearing of the property. Great Lakes referred the matter to a dispute resolution service who made an award for unpaid rent but didn't award anything for the other elements. It said that was because no check out report had been carried out. And while Mr M had supplied some photographs it was unable to say when these were taken.

In response to the complaint Mr M made Great Lakes reviewed matters. It didn't think there had been any error of fact or law by the dispute resolution service. It thought the correct process had been followed and so it didn't amend the outcome that had been reached.

Our investigator thought Great Lakes was entitled to rely on the decision the dispute resolution service had reached and didn't think it had done anything wrong. Mr M didn't agree. And he provided photographs of his property which did include the date they were taken. He said it hadn't been possible to supply these in support of his claim because the online submission service wouldn't accept them in that format. The complaint was referred to me for a decision.

I thought that, given the difficulties Mr M outlined when submitting photographs, it would be fair to ask the dispute resolution service to review its decision on the basis of the dated photographs he'd now provided. Great Lakes agreed to ask whether, if this information had been supplied earlier, it would have changed the outcome and what award would have been made.

The dispute resolution service said although there were only a limited number of photographs they did evidence the need for the removal of some items and cleaning to areas shown. It said it would have awarded £150 for this. Great Lakes agreed to pay that amount to Mr M.

I issued a provisional decision on the complaint earlier this month. In summary I said:

*The relevant rules and industry guidelines say an insurer has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. I think it's reasonable to take these rules into consideration here.*

*But I'm not looking at the outcome reached by the dispute resolution service. That organisation isn't within our jurisdiction and so that isn't something I can look at. What I can consider is whether Great Lakes got anything wrong when dealing with the claim Mr M made.*

Where a claim is made the policy says:

*"We will ask You to provide Us with evidence required to support Your claim and to provide such evidence within 21 days of Our request. We will contact the Tenant to discuss settlement of the claim. The Tenant is required either to accept the claim and pay You, or dispute the claim.*

*If the Tenant disputes Your claim. We will refer it to Our Expert Evaluation Partner to adjudicate. The Tenant will be required to provide evidence to Our Expert Evaluation Partner to support the Tenant's reasons for disputing the claim. Should the Tenant fail to provide evidence within 21 days of Our request. Our Expert Evaluation Partner will adjudicate based on the information provided by You."*

The policy goes on to explain:

*"If Our Expert Evaluation Partner adjudicates in Your favour, and the Tenant is found liable for Financial loss/Damage, We will pay You the amount determined to be due to You by Our Expert Evaluation Partner on behalf of the Tenant and We will seek to recover this payment from the Tenant and/or any Guarantor."*

*In this case after Mr M made his claim it doesn't appear the tenant responded to the inquiries Great Lakes made. I think it's arguable whether that lack of response should have been regarded as the tenant not accepting liability meaning there was a dispute to be adjudicated.*

*But I don't think it was unreasonable in any event that Great Lakes referred the matter to the dispute resolution service. That enabled it to obtain an expert opinion on the amount that was due to Mr M. That service agreed a payment for rent arrears but not for the other elements of the claim. And under the terms of the policy Great Lakes is entitled to rely on the decision reached by that service.*

*However, as I've explained, Mr M then outlined the difficulties he had in providing dated photographs as part of his claim submission. So I thought it would be fair of Great Lakes to ask the dispute resolution service to consider whether these would have made a difference to its original decision if they had been available at the time. The dispute resolution service has done that and concluded that a further award of £150 would have been made which Great Lakes has agreed to pay.*

*I appreciate that still falls short of the full value of the claim Mr M made. But the dispute resolution service has given its reasons for not awarding the full amount Mr M was seeking. And its decision is now based on the dated photographs he provided. I can see those are more limited in number and less detailed than the ones provided as part of the property 'check in' report.*

*So I think it's likely the same outcome would have been reached if Mr M had submitted these as part of his original claim. And, as I've said, under the terms of the policy Great Lakes is entitled to rely on the decision of the dispute resolution service. I think it's a fair resolution to this complaint that Great Lakes pays the amount it has now recommended.*

## **Responses to my provisional decision.**

Great Lakes agreed with my provisional decision. Mr M accepted the outcome although expressed wider concerns about the operation of the rent deposit guarantee policy.

### **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 M remains unhappy about the rent deposit guarantee policy more generally. But in relation to this complaint both parties have accepted the outcome I reached and so there's no reason for me to change what I said in my provisional decision.

### **My final decision**

I've decided to uphold this complaint. Great Lakes Insurance SE will need to put things right by paying Mr M £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 December 2022.

James Park  
**Ombudsman**