

The complaint

Mr and Mrs W complain that Accredited Insurance (Europe) Ltd were unfair in their rejection of their claim for damage to an outbuilding.

What happened

Mr and Mrs W had household insurance with Accredited. The insurance included cover for outbuildings, and they made a claim for fire damage to one.

The claim was assessed by Accredited but they said the outbuilding was a stable and that stables aren't covered by the policy.

Mr and Mrs W weren't happy with that, they said the property isn't a small holding and that the outbuilding is a shed which is simply used for storage. Mr and Mrs W said that's been the case ever since they bought the property.

Accredited maintained it was a stable, so the case was brought to our service.

An investigator here looked into the matter. They concluded that the outbuilding was more likely than not to be a shed. This view was supported by relevant retailers.

Accredited didn't agree, they said their surveyor's opinion held more weight than the retailers and they also questioned whether the loss occurred within the property boundaries.

Agreement couldn't be reached, so the matter has been passed to me to decide.

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.

Having done so, I have found in Mr and Mrs W' favour. The crux of this case boils down to whether or not the outbuilding was a shed or a stable.

On the one hand, Mr and Mrs W say it has been used as a shed ever since they purchased the property – the shed came as part of the property.

Accredited acknowledge that it was used as a shed. However, they say it was made and sold as a stable, and so as stables aren't covered the claim was correctly declined.

One of the key concerns I have with Accredited's assertion that it was made and sold as a stable is that there is no evidence to really support such an assertion. I accept it has stable style doors – but that's not especially unusual for sheds – and that they open onto a field. But neither of those things make it a stable, especially as all parties agree it was used as a shed.

As part of their review the investigator researched this type of outbuilding, finding that numerous retailers sold sheds with stable doors. They also commented that they didn't think

the height of the structure to be adequate for a stable.

Reference to the British Horse Society website suggests even for a pony the minimum recommended size is 3.05m x 3.05m. And that the roof should be high enough for a clear space to the eaves of 60-90cm above the ears of a standing horse.

The retailer Mr and Mrs W spoke to said anything under 2.5m wouldn't require planning permission, so I think it's reasonable to assume their quote for replacement was on a like for like basis.

In view of the above, I've seen nothing to suggest Mr and Mrs W's outbuilding was even large enough to be adequate for housing a pony.

In order to reasonably decline this claim, Accredited would be required to show, at least on balance, that the outbuilding was a stable.

Ultimately, they haven't done so – even prior to the case being presented to our service. Their surveyor's statement isn't really supported. Stable style doors do not make an outbuilding a stable, nor does those doors opening onto a field.

All parties agree it was being used for storage so, on balance, I think it is fair to say it was a shed. Further, Mr and Mrs W have provided evidence from the land registry to show the land to the rear of their property is within its boundary – so I don't think it is owned by a third party as has been suggested by Accredited.

Mr and Mrs W have found the delays in settling their claim to have caused unnecessary distress and inconvenience. They haven't been able to move on from the loss and have been denied the enjoyment of having some extra storage space at the property.

I think the investigator's suggestion of £250 compensation for that is reasonable.

Putting things right

Accredited should deal with the claim on the basis that Miss T's outbuilding was a shed, rather than a stable.

If they choose to case settle the claim in cash, then they ought to add interest at the rate of 8% per annum simple – to be calculated from one month after the loss occurred to the date settlement is issued.

The contents of the shed should also be considered as part of the claim on the same basis.

However, Accredited may wish to arrange settlement by replacing everything on a like for like basis through their own suppliers. If they do that then no interest will be required.

Accredited should pay Miss T, £250 compensation for unnecessary distress and inconvenience caused.

My final decision

It is my final decision that I uphold this complaint. I require Accredited Insurance (Europe) Ltd to resolve the matter as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W (formerly Miss T) to accept or reject my decision before 8 July 2024.

Will Weston
Ombudsman