

## **The complaint**

Mr B complains that Admiral Insurance (Gibraltar) Limited (Admiral) unfairly declined his claim for fire damage to his home, and for delays reaching this decision, under his home buildings insurance policy.

## **What happened**

In August 2023 Mr B's home was damaged by fire. The fire began in a neighbouring property and spread to Mr B's roof. He says this caused severe damage to the roof, the first-floor bedroom, as well as smoke and water damage to the rest of the property.

Mr B made a claim to Admiral, which it declined and told him his policy was voided. He complained but says the business ignored information he provided and delayed dealing with a data subject access request. Mr B says he's had to use savings to remove the debris from the fire and has no more money for the repairs. He says Admiral took no account of his mental health when dealing with this matter.

In its final complaint response Admiral says Mr B's property was unoccupied at the time of his loss. He hadn't told it about this as required by his policy terms. It's because of this that it declined Mr B's claim and voided his policy. Admiral says it dealt with the claim in a timely manner and wasn't aware of any mental health issues until after its underwriting team had made its decision.

Mr B didn't think he'd been treated fairly and referred the matter to our service. Our investigator didn't uphold his complaint. She says the policy information sent to Mr B told him he must advise Admiral of any changes to the information he'd provided. Failure to do so could result in a declined claim or his policy being declared void. Our investigator was satisfied that Admiral had fairly considered the evidence. And had acted reasonably when relying on its policy terms to decline Mr B's claim and void his policy from 1 January 2023. She thought it was fair it had refunded his premiums to this date but didn't think it needed to do anymore.

Mr B didn't agree with our investigator's findings and asked for an ombudsman to consider the matter.

It 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'm not upholding Mr B's complaint. This must be a very distressing time for Mr B and his family, and I'm sorry to disappoint him. But I'll explain why I think my decision is fair.

It's for the policyholder to show that they have suffered an insured loss. If they can then,

generally speaking, the insurer should pay the claim. This is unless it can reasonably rely on a policy exclusion not to.

There's no dispute that Mr B's policy covers his home for damage caused by fire. So, I've thought about the exclusion Admiral relied on to decline his claim.

Under the definitions section of Mr B's policy terms, it says:

*"Unoccupied*

*When your home has not been lived in by you or any member of your family for longer than the 'Days unoccupied limit' shown in your Home Policy Schedule. By 'lived in' we mean that you or any member of your family has slept in the home overnight and regularly carried out day-to-day activities such as cleaning, cooking and bathing. If the home is unoccupied for more than the number of days shown in your policy documents, we consider your home to have been unoccupied from the first day."*

Mr B's policy schedule says the 'Days unoccupied limit' is 60 days.

I've read the report produced by Admiral's surveyor. This followed a site visit on 22 August 2023. The surveyor says Mr B informed that he split his time between the insured property and another. He noted that Mr B and his family don't reside in the risk address on a permanent basis. He says Mr B advised the property was being refurbished with a view to renting or selling it. The surveyor noted that no-one was living in the property on the date of the loss, which was on 6 August. He says Mr B had visited a couple of days after the fire to carry out refurbishment works when the damage was discovered.

Admiral asked Mr B to provide utility bills as part of its investigation into his claim. I've seen the bills he provided. This includes a council tax demand notice for the financial year 2023/2024. It shows an exemption was applied for "6 months from date first empty". The date next to this is April to June 2023. The notice also refers to an empty home premium for the period 10 June 2023 to 31 March 2024.

The gas bill Mr B supplied shows that for the period from April to the end of June 2023, 92kWh were used. From 1 July to 12 August 196kWh were used. From the energy regulator's website, the average gas usage for a household of this size is 1000kWh per month. The usage at Mr B's home was far less than this for the period of the bills he provided.

The electricity bills Mr B supplied for the period 1 April to 30 June 2023 show 189kWh of energy were used. From 1 July to 12 August, 196kWh were used. Again, referring to the energy regulators website, the average electricity use for a household of this size is expected to be 225kWh per month. The usage at Mr B's home was well below what would be expected for an occupied property. I think it was reasonable for Admiral to rely on this evidence when considering Mr B's claim.

In response to its questions about the occupancy of his home, Mr B informed Admiral that he, and his family, continued to keep up with the cleaning of the property. He says, "a clear work environment would be a safe environment". Indicating the property was being worked on, as opposed to lived in. Mr B says cooking was done via a microwave during the day for the sake of convenience. He says bathing wasn't consistent. But there were times when a shower was needed after decorating. He says his daughter made occasional use of the bath in this property as his other property didn't have one.

I can see that Mr B told Admiral he'd moved out of the property in January 2023. He says the

last time someone slept at the house was on 22 July.

I've considered Mr B's comments that he misused the word renovation when describing the work being done to his property. He says he was merely doing some freshening up of the paint and some general maintenance and repair work prior to selling the property. I also note what he says about only removing the bed frames, TV, and DVD player in the first bedroom around 22 July when the property had last been slept in. He says before this the bedrooms were furnished. However, Mr B also says that prior to this all furniture from the lounge and most of the dining room furniture had been removed. The kitchen and bathroom remained furnished.

I've considered all this information carefully. Based on what I've read I think Admiral treated Mr B fairly when it decided his property wasn't occupied in line with his policy definition. I say this as he was clear in the information he provided to its surveyor that the property was being renovated. His other property was where his family were living. Visits to the risk address were mainly to carry out redecoration and maintenance work.

Mr B confirms that his family moved out in January 2023 and lived in their other property nearby. The council tax bills support this point. The energy bills he provided also show very little usage, when considering what is expected at an occupied property. In his email to Admiral dated 6 October Mr B says the risk property was solely used for decorating, maintenance, and to ease his daughter's adjustment to the new property due to learning difficulties. I think this is supported by the evidence. But I don't think it reasonably fits with the definition of an occupied property.

Mr B says he would class his properties as dual residences. However, he didn't tell Admiral that he or his family stayed at the risk address on a regular basis. The indication is that his visits were to carry out decoration/renovation work. This was ongoing throughout the property, which indicates why it was preferable for the family to stay at their other house.

Having considered all of this I don't think it was unreasonable for Admiral to consider Mr B's property to be unoccupied from January 2023.

Mr B's policy term began on 18 August 2022 running to 18 August 2023. The loss due to fire damage occurred on 6 August 2023. I haven't seen evidence that shows Mr B's property was unoccupied at the time the policy began. So, I don't think he misrepresented the information he provided. But the policy documentation he was sent in 2022 included a document entitled 'Home Proposal Confirmation'. This says he must check the information the documents contain carefully. It also says failure to notify Admiral of any changes could mean it doesn't pay a claim and may declare the policy void. On the first page the document says Mr B has confirmed he is currently occupying his property. I think this information is clear. It confirms that Mr B needed to inform Admiral if his occupancy of the property changed.

Mr B's policy booklet includes a section entitled 'Keeping your policy up to date'. It says it's important to tell Admiral if any details change during the period of insurance. There is a box highlighted in red with the title 'Important' in capitals. This says if Mr B doesn't update Admiral with any changes it may not pay a claim, reduce what can be claimed for or declare the policy void. Under this box the terms then specifically state that Mr B must tell Admiral beforehand, if his home will be unoccupied for longer than the 'Days unoccupied limit' shown in his policy documents.

I think the terms are set out clearly. It includes specific information regarding unoccupancy. And the consequences of not informing Admiral of a change in use of the property. The importance of reading the policy terms are set out clearly and throughout several of the

documents. I note Mr B's comments in response to our investigator's findings, that he had difficulty checking his policy documents when it was coming up for renewal. He says he contacted Admiral more than once about this but was unable to access his account. At this time, he says he didn't have a copy of this information.

I've considered Mr B's comments. But his policy term began in August 2022. He was expected to access and read this information at this time. If he wasn't able to it's reasonable to expect he would make contact with Admiral swiftly. I'm not persuaded from what he says that it's reasonable for him to be unaware of the unoccupancy term and the requirement to contact Admiral about such a change in use of his property. I understand what he says about not considering his property to be unoccupied. But I don't think this is reasonable considering the terms and conditions discussed. If Mr B was unsure about whether he needed to contact Admiral about this change, the onus was on him to contact it to discuss.

For these reasons I don't think it was unreasonable for Admiral to decline the claim and void the policy back to 1 January 2023. This is in line with the terms of its policy. Admiral has refunded Mr B's premiums back to this date, which I think is fair.

I've thought about Mr B's concern that Admiral didn't consider his mental wellbeing when it made its decision to decline his claim. The business states that its underwriting team reached its decision on 30 October 2023. It says it hadn't been made aware of Mr B's issues at this time. However, Mr B refers to his email dated 6 October 2023 that sets out the issues he was experiencing. I asked Admiral to comment on this point.

In its response Admiral says that it followed its established process where a customer has been identified to have a vulnerability. This involved consideration of Mr B's mental wellbeing. Admiral has provided a synopsis of the issues Mr B was facing at the time, which it says were considered within the process it followed. It says it's unsure why in its final complaint response it said that Mr B hadn't made it aware of this issue. This wasn't correct and as stated it confirms it was aware and did take this into account when dealing with his claim.

I'm sorry for the distress Mr B has clearly experienced due to the fire at his home. But I'm satisfied from the information I've seen that the appropriate consideration was taken by Admiral's claim handlers.

I've thought about Mr B's view that it took too long for Admiral to arrive at its decision. Mr B reported his claim on 14 August 2023, which was eight days after the fire. A surveyor attended on 22 August, which I think is reasonable. Admiral asked for utility bills at the beginning of September. Based on the information it received it asked for further information towards the end of the month. An underwriter then wrote to Mr B to ask a number of questions concerning Admiral's occupancy concerns. There was some further communication in October querying the information provided and the answers Mr B had given. The decline decision was then confirmed at the end of the month.

I'm sorry Mr B's house was damaged, and that further damage has resulted because it has been open to the elements. But I don't think Admiral's handling of his claim was unreasonable, when considering the information it had to obtain and consider.

Finally, I've thought about the renewal Mr B says he was offered, when Admiral was aware his property wasn't occupied. I asked the business to comment on this point. It says the policy renewed four days after Mr B registered his claim. By this time the renewal invite had already been issued. I understand the point Mr B is making. But I don't think this shows that Admiral was prepared to provide cover for a property it considered unoccupied. So, I can't reasonably ask it to do anymore.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 October 2024.

Mike Waldron  
**Ombudsman**