



<u>Decision Ref:</u>	2018-0083
<u>Sector:</u>	Insurance
<u>Product / Service:</u>	Household Contents
<u>Conduct(s) complained of:</u>	Rejection of claim - fire
<u>Outcome:</u>	Rejected

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

Background

The Complainants have a home insurance policy with the Provider which was inceptioned on 18 February 2016. In October 2016 the Complainants made a claim on the policy due to their heating system.

The Complainants' Case

The Complainants state that the damage was caused by fire and therefore it is covered under the policy.

The Provider's Case

The Provider states that the heating system was damaged as a result of a mouse/mice coming into contact with a microchip. This caused the microchip to burn out and in turn caused damage to the functions within the heating system. The Provider states that the damage resulted from "Accidental Damage" and not fire damage.

The Provider states that the policy booklet outlines at Section A, number 21, under the heading "Accidental loss or Damage to your building", that the policy will not cover accidental loss or damage by vermin, insects, fungus, wet or dry rot. It is the Provider's case that as the damage was caused by mice the loss is not covered.

The Provider deny that the loss was caused by fire and they refer to the engineer's report dated 19 October 2016, in which they claim that the microchip was burnt out but there was no fire.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties 12 July 2018, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, the final determination of this office is set out below.

The issue to be resolved is whether the damage was caused by "accidental damage" or by "fire" damage. Page 26 of the policy booklet sets out that "accidental damage" caused by vermin is not covered under the policy.

This information is set out clearly in a Table as follows:

What is covered	What is not covered
21 Accidental loss or damage to Your building	We will not cover accidental loss or damage: a specifically excluded under the buildings section; b by frost; c by wear or tear or anything which happens gradually; d by vermin, insects, fungus, wet or dry rot; e by chewing, scratching, tearing or fouling by domestic animals;

I accept that mice are vermin and that dead mice were found in the heating unit. Recordings of telephone calls between the Complainant and the Provider have been supplied in evidence.

I note that the Complainant stated in a telephone conversation with the Provider's agent when reporting the matter, that mice have caused problems/damaged with the electrical board.

The Loss Adjuster's "preliminary Inspection Form" dated 24 October 2016 states that the "claim type" is "accidental damage". The loss adjuster's "First Advice" report to the Provider dated 25 October 2016 states the "supposed cause" as "fire". The Loss Adjuster's "final report" dated 16 November 2016 states the "cause" as "accidental damage/fire". I consider that these reports are inconclusive on the cause of the damage.

The Complainant's engineer's report dated 19 October 2016 states that;

"I noticed that one of the microchips was burnt out. This would be due to a mouse making contact with the electrical circuits causing a short circuit which burnt out the chip."

The Provider's agent contacted the engineer on 3 November 2016 to confirm the meaning of "burnt out" in his report. The engineer is recorded as stating that the microchip was burnt out but did not go on fire. The Provider contacted the engineer again on 10 November 2016 and the engineer is recorded as stating that when the mouse came in contact with the microchip it burnt out and this in turn caused the controls to cease working.

I give the phrase "burnt out" its dictionary definition which is "cease to function as a result of excessive heat or friction.", the phrase does not indicate that there is a fire but rather excessive heat. I note the dictionary definition of "fire" is "a process in which substances combine chemically with oxygen from the air and typically give out bright light, heat, and

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smoke; combustion or burning.” I note from the photos of the unit that the unit is not black/burnt and there is no evidence of a fire.

In the circumstances and in particular due to the engineer’s reports and the photos, I accept that the damage was caused by a mouse or mice who caused the microchip to short circuit and cease to function. Further, I accept that accidental damage caused by vermin is not covered by the policy and that the Provider was not therefore obliged to pay the claim.

For the reasons set out above, I do not uphold this complaint.

Conclusion

My Decision pursuant to **Section 60(1)** of the ***Financial Services and Pensions Ombudsman Act 2017***, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

**GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

7 August 2018

Pursuant to **Section 62** of the ***Financial Services and Pensions Ombudsman Act 2017***, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

- (i) a complainant shall not be identified by name, address or otherwise,**
 - (ii) a provider shall not be identified by name or address,**
- and**

(b) ensures compliance with the Data Protection Regulation and *the Data Protection Act 2018*.