



## Financial Ombudsman Service – Case Files

Policyholders are often confused between what constitutes buildings and contents under household policies. We hope the following clarifies the position with respect to the most contentious items.



'Buildings insurance' covers the structure of the building, plus permanent 'fixtures and fittings' such as baths, fitted kitchens, etc. The test is – can it reasonably be removed and taken to another home? If it can, then it is part of the 'contents' and it will not generally be covered by a buildings policy.

'Contents insurance' covers your possessions – your television set, furniture, clothes, etc. In other words, just about everything you would take with you if you moved.

So the FOS regards items that are fixed and have essentially become part of the fabric of the property as 'buildings', and the rest as 'contents'. Fitted wardrobes, fitted kitchens and built-in appliances are considered to be covered under buildings, whereas the contents policy covers items of furniture and appliances that are free-standing or (if screwed to a wall) easily removable.

Like the courts, the FOS follows the industry convention of treating carpets as 'contents', even though they are often fitted. Although most people leave their fitted carpets behind when moving home, the fact remains that fitted carpets can be taken up relatively quickly and easily and re-laid to a reasonable standard. It is their transportable quality that makes them part of the contents.

But what about laminate wooden flooring? Many of us now have it, but is it covered under buildings or contents insurance? The FOS takes the view that most laminate wooden flooring (where the individual planks are glued together and fixed under the skirting board or beading) is a fixture and fitting, not contents. Unlike a carpet it is difficult to remove intact and has, essentially, become part of the building.

However, in some cases the FOS has regarded re-useable, click-together laminate wooden flooring as 'contents'. This type of flooring is no more fixed to a room than a fitted carpet and some are specifically marketed as being 'easily transportable'.

In conclusion, our advice is to make sure that you insure both buildings and contents and ideally, to avoid any risk of disputes arising, try to insure both with the same insurance company.