

Property Owners & Landlords Insurance

A Guide to Malicious Damage by Tenants

It's every landlord's nightmare; your tenants have vacated the property and before doing so, left you with potentially thousands of pounds worth of damage. The windows are smashed, the doors and walls full of holes, they've even taken your furniture – what now?

Malicious Damage is not always included in standard insurance policies. With one of the UK's largest insurance companies showing the average costs for such claims being in the region of £6,700, it is important to understand the cover you have in place and its adequacy to protect you in such events. Failure to do so may result in the bills for replacement and repairs being left on your shoulders.

What is classed as 'Malicious Damage'?

In a nutshell, malicious damage is an act resulting from an individual who is lawfully on the premises (i.e. a tenant) who has deliberately or intentionally caused damage to your property and/or possessions.

How do I know the difference between Accidental & Malicious Damage?

Accidents do happen and it would be fair to assume that every property will become damaged at some point. When it does – how will you know if the damage was caused via an accidental or malicious event?

Unexpected or sudden damage such as a tenant spilling a glass of wine on a carpet would fall under accidental damage. However, incidents motivated through anger or spite which you feel strongly enough to report to the police – such as fixtures and fittings being ripped out and removed are likely to be malicious. The decision will ultimately come down to your insurance company and any claim will be subject to the terms and conditions of your policy being met.

My tenants have left and destroyed my property – what should I do?

- All incidents of malicious damage should be reported to the police, providing you with a crime reference number.
- The next step would be to report the incident to your insurance company or insurance broker who will advise you on what to do next. If you are a Pavey Group client please contact our dedicated claims teams in the first instance.
- Photographs should be taken as soon as possible to document the damage.
- In many cases of malicious damage your insurance provider will assign a loss adjuster, an independent claims specialist to visit your property and assess the situation.
- You may be asked to obtain quotations for damage repairs and loss replacement. Any works which need to be undertaken to ensure the safety and security of the premises should be undertaken immediately.

Reduce the risk of housing nightmare tenants

Prior to the agreement of any tenancy it would be wise to obtain a minimum of 3 satisfactory references including one from the tenant's employer (unless retired), a financial reference (e.g. a bank) and one other referee. If you have any doubts as to the integrity or financial position of the tenant expressed in any reference or there is a lack of response to any enquiry; we would recommend you not to proceed with the letting.

You should not allow the tenant into occupation until the first month's rent and deposit payments have been cleared in your or the managing agents bank account (or alternatively cash has been received).

Once you have a tenant in situ, you or a managing agent on your behalf should carry out internal and external inspections of the buildings at least every 3 months or as permitted under the tenancy agreement. These visits should be recorded and the documentation retained for at least 24 months.

Every insurance company is different. It is important to be aware of your responsibilities as a landlord by checking the terms and conditions of your policy carefully. Failure to do so may result in your claim being rejected; leaving you to pick up the bill.

To arrange a review of your insurance, contact our teams on:
Exeter: 01392 880000 or Torquay 01803 652000

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