

The complaint

Mr and Mrs J complain that the Society of Lloyds rejected their claim in respect of damaged kitchen units in their static caravan under their home insurance policy.

What happened

Mr and Mrs J own a static caravan located on a site which closes over the winter months. They said their caravan was correctly prepared for the winter. But following exceptionally cold weather in February 2018 the site reported damage to the caravan's central heating boiler. A plumber attended and confirmed the damage had resulted from a frozen pipe and the boiler needed to be replaced. Mr and Mrs J notified Society of Lloyds via their broker in early March 2018. When Mr and Mrs J subsequently visited the caravan, they noticed that some doors and draws (doors) on the kitchen units were damaged. The surface finish was peeling (or delaminating) from the timber core.

Mr and Mrs J made a claim for the doors saying they must have been damaged by the cold weather as well. Society of Lloyds instructed a loss adjuster. It said replacement doors were probably unavailable and that the damage was due to wear and tear. Lloyds rejected the claim for the doors but offered settlement in respect of the boiler.

Mr and Mrs J complained to Society of Lloyds and provided statements from friends and family (only friends and family can stay at the site) confirming the doors were in good condition before the site had closed for winter. Society of Lloyds rejected the complaint saying there was no evidence of a sudden or singular event causing damage to the doors. It said the doors had deteriorated due to wear and tear which was excluded from the policy under the "Gradually Operating Cause" exclusion clause.

Mr and Mrs J referred their complaint to our service and our investigator looked into it. He said Society of Lloyds had accepted the claim for the frozen pipe which wasn't a sudden event. He said as the policy was an all risk policy it should cover the damage to the doors as Mr and Mrs J had evidence that the doors were in good condition previously.

Society of Lloyds disagreed. It said the two claims were separate with the door claim not having been made until a "*considerable time after*" the claim for the boiler. It said the boiler damage didn't extend to the kitchen units and the issues were unrelated. Society of Lloyds said the boiler claim hadn't been accepted because of a frozen pipe, but because of an escape of water (EoW) resulting from a frozen pipe thawing which was a sudden event. It said an all risks policy still required there to be an unforeseen, sudden event for a claim to be valid. And general wear and tear as advised by their loss adjuster wasn't a singular, unforeseen event. It said statements from friends and family shouldn't be given much weight, especially as they weren't experts.

Our investigator queried when the two claims had been reported. Society of Lloyds replied saying it appeared that the two claims were made at a "*similar time*" but there was no evidence the damage to the doors was related to a singular event and there was no evidence to suggest it wasn't caused by wear and tear. As Society of Lloyds disagree it has come 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 am upholding the complaint.

The loss adjusters report describes Mr and Mrs J's caravan as being in "good" condition. So, I'm surprised that the kitchen cabinet doors were suffering from "*delamination and or cracking ... in keeping with wear and tear*". The report continues:

... with no corroborating signs to suggest the damage is impact or accidental related".

The loss adjuster attended in July 2018, quite some time after the EoW event accepted by Society of Lloyds. Mr and Mrs J advise the boiler is in a cupboard immediately next to the integrated fridge, which is the door with the most damage. It seems reasonable that adjacent doors and draws could have become wet from the EoW when the frozen pipe thawed – a sudden and singular event. Given the circumstances they may have remained wet for some time after.

I think the statements from three different people confirming there was no obvious sign of damage to the doors before the site closed for winter do carry some weight. Veneered or laminated wood is soon damaged by water but there would be no evidence of this several months later when the loss adjuster attended.

I think it more likely than not that the doors were damaged as a result of the EoW from the damaged boiler. And I think it is fair and reasonable that Society of Lloyds should accept the claim in respect of them. This should be in line with the policy terms which provide new for old cover. So, the doors, draws and cupboards should be replaced as necessary to produce a match. If Society of Lloyds wish to cash settle this claim they should add interest at 8% per year simple. I also think Mr and Mrs J have suffered trouble and upset in having to pursue their claim and Society of Lloyds should pay them £100 in compensation for this.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld.

I direct Society of Lloyds to settle the claim in line with the terms of the policy, without further consideration of the wear and tear and gradually operating cause terms. If the claim is cash settled interest should be added at 8% per year simple from the date of loss to payment.

I further direct Society of Lloyds to pay £100 compensation for Mr and Mrs J's trouble and upset.

Society of Lloyds must pay the compensation within 28 days of the date on which we tell it Mr and Mrs J accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

If Society of Lloyds considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs J how much it's taken off. It should also give

Mr and Mrs J a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 4 September 2020.

Nigel Bracken
Ombudsman