

The complaint

Mr and Mrs A complain that Gresham Insurance Company Limited unfairly declined their claim on their home insurance.

What happened

Mr and Mrs A had home insurance with Gresham. In May 2021 a boundary wall at their property collapsed. This was jointly owned by Mr and Mrs A and their neighbours. Mr and Mrs A made a claim on the insurance for their part of the cost of rebuilding it.

Gresham declined their claim. It said the wall had collapsed due to a carport that their neighbour had built that had caused water to run alongside it and soften the wall. It said as this was a gradually operating cause, this was excluded under the policy.

Mr and Mrs A didn't agree and made a complaint. But Gresham maintained its position. So they brought their complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. He said that while he didn't dispute the cause of the damage was gradually operating, as it was caused by Mr and Mrs A's neighbours installing a carport this was outside of their control. So he didn't think Gresham had acted fairly by applying the policy exclusion on this occasion.

Mr and Mrs A accepted our investigator's outcome. However Gresham didn't. It said that as the cause of the wall's collapse was excluded under the policy, it didn't matter that it was outside of Mr and Mrs A's control. It asked for the complaint to be reviewed by an ombudsman.

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.

- While there have been conflicting reports provided about the cause of the damage to the wall, Gresham has accepted that the main cause was the carport that Mr and Mrs A's neighbours had built close to the wall. This had caused surface water to run off the structure into a gap between the carport and the wall which had softened it.
- I agree that this had caused gradual deterioration to the wall and can see from the policy that this is an exclusion to cover.
- However when considering a complaint I need to decide if Gresham has done enough to show an exclusion applies and if it's acted fairly and reasonably by relying on it in the circumstances.
- As the carport was put into place by Mr and Mrs A's neighbour and the damage happened due to the carport, I can't see that Mr and Mrs A could have reasonably foreseen that the damage would have occurred or taken action to prevent it. And the

reports suggest the wall was well maintained otherwise.

- For this reason, I don't think it's fair or reasonable for Gresham to rely on the exclusion to decline Mr and Mrs A's claim. I therefore agree with our investigator and require Gresham to accept Mr and Mrs A's claim and settle it in line with the remaining policy terms and conditions.

My final decision

For the reasons I've given, I uphold Mr and Mrs A's complaint. I require Gresham Insurance Company Limited to accept Mr and Mrs A's claim without applying the exclusion for gradual damage, and settle it in line with the remaining policy terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 21 June 2022.

Sophie Goodyear
Ombudsman