

The complaint

Mr and Mrs A complained that their claim for storm damage under their “*thatched*” home insurance policy with Fairmead Insurance Limited (“Fairmead”) was unfairly declined.

What happened

During a period of heavy rainfall, Mr and Mrs A said their thatch roof was damaged which caused rainwater to penetrate it and subsequently led to some flooding internally. Damage was widespread, including damage to internal walls and carpets. Mr and Mrs A appointed a thatcher to take photos of the damage and apply a temporary tarpaulin covering to prevent further rainwater entering the property.

Mr and Mrs A made a claim under their policy and Fairmead appointed a loss adjuster to validate the claim. Fairmead said *“having reviewed the claim I understand a claim was submitted under the storm peril, for damage to your roof and the subsequent internal damage caused by the water ingress. In order for a claim under the storm peril to be considered there has to be storm conditions present prior to or on the date of loss and the roof would need to show signs of visible storm damage. The loss adjuster appointed to your claim confirmed there was no visible evidence that the roof had been damage by a one-off event of storm. Weather records were also checked and there were no storm conditions present either prior to or on the date of loss. The loss adjuster confirmed your roof had allowed water to ingress due to wear and tear, which is excluded from the policy and therefore the claim to cover the costs to repair the roof was declined. However, as the policy provides cover for Accidental Damage, the internal damage caused by the ingress of water was accepted”*.

Our investigator decided to uphold the complaint. He said it was clear damage was caused to Mr and Mrs A’s property. So, he thought the damage should be covered as Mr and Mrs A had an “*all risks*” policy and Fairmead hadn’t provided enough evidence that it could fairly rely on the exclusions within the policy to repudiate the claim. He said the claim should be re-considered in line with the remaining policy terms. Fairmead disagreed, so the case has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 7 June 2022. I said:

“I have not considered the internal damage as Fairmead settled this as accidental damage. I have only considered the external damage which Fairmead declined. Fairmead said the claim was made under the storm peril but said there was no signs of visible storm damage and it didn’t think there had been storm conditions at the time. Fairmead concluded the damage to the external roof was caused by wear and tear. So, I’ve considered whether Fairmead has been reasonable in reaching these conclusions.

The policy is somewhat unusual in that it doesn’t define the individual perils covered (e.g. storm, fire, flood). As the policy doesn’t restrict cover to a list of specific causes of damage, Mr and Mrs A can make a claim for any loss or damage. However, the policy is still likely to

have a list of exclusions and conditions. No policy will cover everything.

So, as the storm peril isn't a defined peril that the policy intends to cover, I don't think it's fair that Fairmead has simply declined the claim as it said there wasn't any evidence of storm damage. However, Fairmead has highlighted a list of "uninsurable risks" that are listed out in the policy. I can see one of these uninsurable risks states: "damage caused by wear and tear, atmospheric or climatic conditions (other than storm or flood), rot, fungus, mice, latent defect, insects or any gradual cause".

Fairmead told our service "the basis on which the external repair to the roof were declined was that for a claim to be accepted for the external repairs required, this would have to be as a result of either storm conditions (storm force winds) or accidental damage. There was no evidence of damage caused by storm force winds on the photographs from our video call with the policyholder or the photos provided by the policyholder".

So, I have considered what Fairmead has said. I don't think it's fair it has declined the claim on this basis. Mr and Mrs A has provided video evidence of their roof letting water in. The amount of water entering through the roof was significant and widespread. I have seen a video of the rainfall outside Mr and Mrs A's home and it's very heavy – so I think Mr and Mrs A has provided evidence that the weather conditions were bad and could've caused damage. Fairmead has said there wasn't any storm force winds, so there wasn't a storm. I don't think this matters. Fairmead hasn't clearly defined the term storm in its policy. Our service thinks a storm can involve heavy rainfall, storm force winds or both. So, as I haven't seen that Fairmead has done enough to show why this exclusion applies, I don't think it's reasonable to rely on it.

Fairmead also said "given the exclusion in the policy for repairs required as a result of wear and tear and the evidence supporting the roof repairs being required due to gradual deterioration of the roof thatch, I feel we should maintain our position in declining any costs of external repairs". As Fairmead has relied on the exclusion of wear and tear, I have considered whether it has provided sufficient evidence of this wear and tear.

Mr and Mrs A provided a testimony that they've met the conditions of the policy by having a master thatcher inspect their roof in the last ten years. In 2015, a report was produced by the master thatcher and Mr and Mrs A said they implemented all the recommendations. Therefore, it appears that Mr and Mrs A have kept their roof well maintained, so I would expect Fairmead to have shown significant evidence of wear and tear if it is to rely on this exclusion to decline the claim. I don't think it has, so I intend to uphold this complaint. I'll explain why I think this.

Fairmead said "inspection of the front elevation over the bedroom and bathroom found no storm related damage such as areas of displaced or missing thatch to support a valid tempest claim. As we consider inclement weather has highlighted a latent defect and/or a maintenance requirement and as such not covered by the policy." Fairmead has said it hasn't seen any evidence storms displaced the thatch or highlighted clear damage. However, I don't think Fairmead has evidenced that wear and tear is the cause of the damage either, I think it has just defaulted to that answer. If wear and tear was the issue, I would've expected Fairmead to demonstrate areas of the roof that had been poorly maintained, or areas of the roof that had deteriorated due to its age. As it hasn't provided any specific evidence to demonstrate wear and tear to Mr and Mrs A's roof, it hasn't done enough to rely on the exclusion.

I think Mr and Mrs A has demonstrated there is damage, as they have shown evidence of the leak and their thatcher has had to make a temporary repair. The policy covers all damage and I don't think Fairmead has done enough to convince me the exclusions apply.

Therefore, I intend to uphold this complaint, I intend to require Fairmead to re-consider the claim against the remaining policy terms, which includes any expenditure incurred on temporary repairs.

As I think the claim has been unfairly declined, I think Fairmead has added unreasonable delay to the conclusion of this claim. Mr and Mrs A haven't been able to complete the repairs on their thatch and they have had to have an unsightly temporary repair on their property for this time. Therefore, I intend to award £200 compensation for the distress and inconvenience they have suffered".

Responses to my provisional decision

Mr and Mrs A didn't say whether they accepted or rejected my decision, but they confirmed they didn't have anything further to add.

Fairmead didn't say whether they accepted or rejected my decision. Fairmead re-shared some information it had provided before.

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.

Given neither party has provided any new information, I see no reason to change my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require Fairmead Insurance Limited to:

- Re-consider the claim against the remaining policy terms
- Pay £200 compensation – for distress and inconvenience

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 4 August 2022.

Pete Averill
Ombudsman