

## **The complaint**

Mrs N and Mr N complain about QIC Europe Ltd (QIC), declining a claim under their home insurance policy for damage to their property caused by bad weather.

QIC use agents to administer the policy and to assess claims. Reference to QIC includes these agents.

## **What happened**

In February 2022, at the time of Storm Eunice, Mrs N and Mr N's property suffered roof damage, with hip tiles being blown off the rear of their roof. The dislodged tiles also caused damage to a fence and an outbuilding. They contacted QIC to tell them about the damage and lodge a claim.

QIC arranged for a surveyor to visit the property and assess the damage. The surveyor's report concluded the proximate cause of the damage was due to the storm and there wasn't any pre-existing or ongoing external building defects that weren't related to the insured peril, (storm). However, the report concluded the damage to the outbuilding (a polycarbonate roof) wouldn't be covered due to the form of construction of the outbuilding (being open on one side). Based on the surveyor's report, QIC initially accepted Mrs N and Mr N's claim (for the damage to the property roof).

However, following a technical review by QIC's in-house surveying team, who looked at the surveyor's reports and photographs of the damage, QIC declined the claim on the grounds that the damage to the property roof was due to pre-existing issues with the mortar bedding of the tiles, which had broken down over a significant period of time. QIC added that the damage was also the result of cyclical exposure (of the mortar) to the elements, where moisture sets into the defect, then freezes, causing the defect to expand. Over time, this led to the tile losing adhesion to the mortar. So, QIC declined the claim due to gradual deterioration (an exclusion under the policy).

Mrs N and Mr N challenged QIC's decision and complained. But QIC didn't uphold the complaint, maintaining their decision to decline the claim. While they accepted there were storm conditions at the time of the incident, based on the conclusions of their in-house surveying team review QIC said the cause of damage to the roof was gradual deterioration, so the claim was declined.

As they declined the claim for the damage to the roof, they also declined the element of the claim relating to the fence as there was a policy exclusion that damage to a fence in a storm would only be covered if the fence was damaged at the same time and by the same cause (as damage to the property). As the claim for damage to the roof had been declined, QIC wouldn't consider damage to the fence.

On the damage to the polycarbonate roof of the outbuilding, QIC referred to the policy definition of an outbuilding, which excluded outbuildings with one or more open sides (as was the case with Mrs N and Mr N's outbuilding).

However, QIC did acknowledge that Mrs N and Mr N had been inconvenienced by having been told initially their claim was covered under their policy. In light of this (and the time taken to then decline the claim) QIC offered £150 in compensation.

Mrs N and Mr N then complained to this service. They disagreed with QIC about the wind speed at the time of the incident, saying they were much higher than the 41 mph QIC had stated in their final response. Mrs N and Mr N thought QIC were looking at the wrong date for the incident. Mrs N and Mr N wanted QIC to accept their claim.

Our investigator upheld the complaint in part. She thought QIC had acted fairly in declining the part of Mrs N and Mr N's claim relating to the outbuilding, as it didn't meet the definition of an outbuilding in the policy. On the element of the claim relating to the damaged tiles, she thought the exceptional wind speeds in the area at the time of the incident (up to 90 mph from the weather service reports she'd seen) would have caused the damage to the tiles even if they'd been in good condition. While there was some evidence of wear and tear, she thought the storm was the main or dominant cause of the damage. So, it wasn't fair for QIC to rely on the exclusion to decline that element of the claim. She also thought QIC should also accept that part of the claim relating to the fence.

In response to the investigator's conclusions, QIC offered to arrange a further surveyor inspection of Mrs N and Mr N's property to assess the damage to their roof. However, Mrs N and Mr N rejected this, given the time taken in assessing their claim. So, they requested an ombudsman review the complaint. QIC then responded to the investigator's view to disagree with it. They said they were satisfied with their decision to decline the claim. They thought the breakdown of the bedding mortar was clear (from the photographs) and it was the direct cause of the damage, which the storm had merely highlighted. They also thought it was fair to offer a second, independent assessment and that it was unreasonable for Mrs N and Mr N to decline it.

### **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.

My role here is to decide whether QIC has acted fairly towards Mrs N and Mr N.

The main element of Mrs N and Mr N's complaint is that QIC unfairly declined their claim, on the grounds that while there were storm conditions at the time of the incident, they weren't the main cause of the damage. Rather, it was due to pre-existing issues with the mortar bed of the tiles.

In considering this issue, whether the damage resulted from a storm or from a pre-existing issue, there are three key issues we consider:

- Do we agree that storm conditions occurred on or around the date the damage is said to have happened?
- Is the damage claimed for consistent with damage that a storm typically causes?
- Were the storm conditions the main (or dominant) cause of the damage?

On the first question, in their final response QIC said they were satisfied there were storm conditions around Mrs N and Mr N's property at the time of the incident, noting a highest wind speed of 41 mph. This accords with the weather report provided by QIC for the date of the incident. However, Mrs N and Mr N say the wind speed was much higher than the figure QIC referred to (which, looking at the definition of a storm in the policy quoted in the final response, wouldn't actually have constituted as storm). So I've looked at the reports from the

weather firm this service uses. For the weather station nearest to Mrs N and Mr N's property, on the date of the incident the report indicates a peak gust of 90 mph (and an average wind speed of 56 mph for the day) and describes the conditions as a 'dry storm'. Based on this, I agree with Mrs N and Mr N and I've concluded there were storm conditions present on the date of the incident.

On the second question, the photographs from QIC's surveyor show some of the hip tiles on the rear of the roof of Mrs N and Mr N's property have come off. There's a tile lying on the polycarbonate roof of the outbuilding, suggesting damage consistent with impact from a tile as it came off the roof. Both types of damage are ones we'd expect in storm conditions, particularly high winds. So, I've concluded the damage is consistent with that a storm typically causes.

The third question is therefore key, given QIC declined the claim (for damage to the roof) on the grounds that the cause of the damage was the pre-existing condition of the mortar bed, which QIC say had deteriorated over time. I've considered this issue carefully, together with the reports from QIC's surveyor and the opinion of QIC's in-house surveyor team. I've also looked at the photographs of the damaged roof taken by QIC's surveyor, particularly those specifically referred to by QIC when disagreeing with our investigator's view. Taking all these things into account, I've concluded QIC haven't acted fairly in declining Mrs N and Mr N's claim (for damage to the roof). I'll set out why I've come to this conclusion.

Firstly, as a general principle, where a policyholder makes a claim for damage or loss under a policy, the onus is on them to show there was an insured event that caused the damage or loss. In this case, given my conclusions there were storm conditions at the time of the incident, and the damage is consistent with that we'd expect to see in a storm, I think it's reasonable to conclude there was an insured event (storm) that caused damage.

However, where an insurer relies on an exclusion in the policy to decline a claim (as QIC have done) then the onus is on them to show the exclusion applies. Looking at the available information and evidence, I don't think QIC have done so in the specific circumstances of this case, so I'll explain why I've come to this view.

In their final response, QIC refer to the following policy exclusions, firstly in the *General Exclusion* section where there's the following exclusion:

- 12. Any gradual or maintenance-related loss or damage  
Loss or damage as a result of gradual causes including:  
– Gradual deterioration (whether you were aware of it or not)..."*

QIC also refer to a similar exclusion in the Storm section of the policy, where it states: [We don't cover] *d. anything that happens gradually.*"

QIC also refer to their in-house surveyor's opinion, which states:

*"the damage to the main roof hip tiles is consistent with gradual mortar failure. The underlying cause of the damage was the breakdown of the hip tile bedding mortar over a significant time period".*

There's a further reference to the in-house surveyor's opinion that

*"...damage has occurred due to the cyclical exposure of the elements and the resulting freeze/thaw effect. This is where moisture gets into a defect in the mortar and between the tile and bedding. This moisture then freezes, causing the defect to*

*get bigger and the adhesion to the tile to breakdown. This repeatedly occurs over the years until the mortar reaches the end of its serviceable life”.*

However, looking at the photographs of the roof, particularly those highlighted by QIC, I'm not persuaded they show the mortar was in poor condition. There aren't visible cracks or gaps, either in those places where hip tiles have come away (or where they haven't). I've also noted the remaining mortar bed under the displaced tiles looks to be freshly exposed. This suggests the bond before the incident wasn't weak (to the extent it then led to the tiles being displaced). This doesn't suggest to me there has been any significant breakdown of the kind set out by QIC's in-house surveyor, as there's no indication of any ageing or deterioration. And the surveyor who visited the property didn't (in his report) indicate there was any pre-existing or ongoing external building defects that weren't related to the insured peril, (storm).

Taking these points into account – particularly given the onus being on QIC to show the exclusion applies – than I'm persuaded the storm conditions are, on balance, the main or dominant cause of the damage.

I've also considered the severity of the storm on the date of the incident. As noted above, the reports from the weather service we use indicates a maximum wind speed of 90 mph and describes the wind as a 'dry storm'. The wind speed is significantly higher than QIC's own policy definition of storm force winds (55 mph). A wind speed of 90 mph would (on the Beaufort Scale) be classified as 'Hurricane' level. At this level, expected damage would include tiles being displaced, which is consistent with what happened in this case.

Taking all these conclusions into account, then I'm not persuaded QIC have shown the exclusion applies. And so, they haven't acted fairly in declining Mrs N and Mr N's claim for damage to the roof.

Having reached this conclusion, I've gone on to consider the other elements of the claim. On damage to the fence, as QIC declined the claim for the damage to the roof, they also declined the element of the claim relating to the fence. In their final response, QIC referred to the following policy exclusion, under the Storm section where it states that it doesn't cover:

*b. loss or damage to drives, patios, footpaths, terraces, gates, fences and hedges unless your home has been damaged at the same time and by the same cause...”*

As I've concluded the roof of Mrs N and Mr N's property was damaged by the storm, then I think damage to the fence would also fall within this definition. So, I've concluded QIC acted unfairly in using the exclusion to decline the claim for damage to the fence.

On the issue of damage to the polycarbonate roof of their outbuilding, while outbuildings are included within the definition of 'Your Home' in the policy, the policy also (when defining outbuilding) states that it doesn't cover:

*5. car ports or any structure that is open on one or more sides”.*

Looking at the photographs and description of the outbuilding at the property (where the polycarbonate roof was damaged), I think it would fall within the above exclusion, having one or more open sides. So, I've concluded QIC acted fairly in declining that element of Mrs N and Mr N's claim.

Having reached these conclusions, I've thought about what I think QIC need to do to put things right. As I've concluded QIC can't rely on the policy exclusion of gradual deterioration to decline the claim for damage to the roof, I think they should settle that part of the claim in

line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).

Similarly, as I've concluded QIC can't rely on the policy exclusion for damage to a fence in a storm unless the home was damaged at the same time and by the same cause, I think QIC should also settle that part of the claim in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).

Thinking about the inconvenience and time taken to assess the claim, QIC offered £150 in compensation to Mrs N and Mr N. Taking all the circumstances of the case into consideration, I think that's a fair and reasonable sum.

### **My final decision**

For the reasons set out above, it's my final decision to uphold Mrs N and Mr N's complaint in part. I require QIC Europe Ltd to:

- Settles those parts of the claim for damage to the roof and the fence in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).
- Pay Mrs N and Mr N £150 in compensation for inconvenience (if they haven't already paid it).

QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell it Mrs N and Mr N accept my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mr N to accept or reject my decision before 6 October 2022.

Paul King  
**Ombudsman**