

The complaint

Mr A and Mrs A complain about QIC Europe Ltd ("QIC") for declining their claim for storm damage and consequential damage. They want QIC to settle their claim and to reimburse them for their losses.

What happened

Mr A and Mrs A purchased their home insurance from QIC in February 2021. This included buildings insurance, contents insurance and accidental damage.

In November 2021, during Storm Anwen, the outer wall of the gable end of their home collapsed. This left the inner skin of the property exposed, and the falling masonry damaged items including a garden wall, the garden itself, the path and a satellite dish.

Mr A and Mrs A submitted a claim to QIC.

Around 2 weeks later, QIC sent a surveyor to their home. By this time, due to worry about the safety of the house, Mr A and Mrs A had themselves arranged for scaffolding to be erected around their wall and the immediate debris had been cleared to one side.

The surveyor inspected the wall and considered that the wall ties had failed. He observed that some of the wall ties (located between the inner and outer skins of the wall) had corroded.

A few days later, QIC declined Mr A and Mrs A's claim. QIC considered that the storm had not caused the damage but had only revealed damage to the wall ties which QIC said had occurred due to wear and tear.

Mr A and Mrs A complained to QIC. QIC did not uphold the complaint. QIC acknowledged that the conditions of the storm met the policy requirements but pointed to an exclusion which stated that it did not cover anything which happened gradually.

Mr A and Mrs A complained to us.

Our investigator looked into this matter and upheld Mr A and Mrs A's complaint. She observed that whilst the wall ties themselves may have corroded over time, it was not reasonable to expect Mr A and Mrs A to have been aware of this, or to maintain wall ties located between two skins of wall. She applied our approach of how to treat wear and tear which consumers cannot be aware of and recommended that QIC reconsider the claim in line with the remaining policy terms.

QIC did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in relation to this matter in August 2022. In that provisional decision I indicated that I thought that QIC had not acted fairly and should pay the claim and should consider any further claims for damage caused by falling masonry. I also thought that the level of compensation should be increased.

That provisional decision has been shared with the parties and they have been invited to comment.

Mr A and Mrs A have responded indicating that they accept the provisional decision.

QIC has responded, sending a further surveyor's report which QIC says shows that Mr A and Mrs A would have been aware of a degradation in the mortar and the wall ties. It therefore argues that I should review my provisional decision.

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.

I have read the surveyor's report forwarded by QIC, and QIC's additional comments. I do not agree that the report suggests that Mr A and Mrs A should have been aware of any degradation. The report sets out at the outset that the photos upon which the opinion is based do not show enough detail.

The report includes information about the type of mortar which was used at the time the property was built and surmises that this was used in the property and was a factor in the ties and mortar failing. There is no evidence of this having been directly observed in Mr A and Mrs A's home, beyond the mortar appearing black in the photos. It appears to be based on the surveyor's expert knowledge of building materials used at different time periods and the properties of those materials.

The report also observes that the wall was rendered, and pebble dashed, so the mortar would not have been observable from outside.

Consequently, there is nothing in the report, or otherwise put forward by QIC, which indicates that Mr A and Mrs A would or could have known there was any degradation of the wall ties going on between the wall skins, or that there was any failure to maintain the property.

I therefore remain of the view expressed in my provisional decision, that Mr A and Mrs A could not have done anything more, and that it is unfair in the circumstances to rely on a gradual deterioration clause.

Consequently, I adopt my provisional decision and reasons, as supplemented by this decision, as my final decision.

Putting things right

As previously set out, I do not think it appropriate for QIC to have a further opportunity to consider any remaining exclusions within the policy wording, and I think that QIC should now settle Mr A and Mrs A's claim for damage to the wall, and for any consequential damage and losses they suffered as a result of the storm damage.

Interest should be added to any costs which Mr and Mrs A have already had to pay out, and QIC should pay compensation to them in the sum of £300.

My final decision

I therefore uphold Mr A and Mrs A's complaint and direct QIC Europe Ltd to:

- Settle Mr A and Mrs A's claim, in accordance with the policy settlement terms;
- When reimbursing Mr A and Mrs A for costs they have already expended, to add to these interest at a rate of 8% per annum from the date when they were incurred up until settlement; and
- Pay to Mr A and Mrs A £300 compensation for their distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 7 October 2022.

Laura Garvin-Smith
Ombudsman