

The complaint

B, a sports club, complains that Liberty Mutual Insurance Europe SE (Liberty) has declined a claim made under its Sports Combined Insurance Policy.

What happened

B has a Sports Combined Insurance Policy underwritten by Liberty. It covers, amongst other things, property damage.

In February 2022 fences enclosing B's sports playing areas were damaged during a storm. B made a claim to Liberty.

Liberty declined the claim. They said B's policy excluded damage caused to fences. B was unhappy with Liberty's decision and approached this service.

One of our investigators considered the complaint and upheld it. In his view, Liberty had acted unfairly by declining the claim based on the policy exclusion. He said the exclusion only applied to *movable* fences, whereas B's damaged fences were permanently fixed, so he said the exclusion didn't apply.

Therefore, the investigator said Liberty should reassess the claim in line with the remaining policy terms.

Liberty didn't agree and asked for a final decision from 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.

B's Sports Combined Insurance Policy covers a number of defined perils under the property damage section of cover:

"Defined Peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water or oil from any tank, apparatus, pipe or appliance, falling trees, underground fire and impact."

And B also has specific cover listed on the policy schedule for:

"Buildings – Fencing" with a sum insured of £57,500.

B's permanently fixed fences enclosing its sports playing areas were damaged during high winds, so B made a claim for storm damage, which is one of the defined perils under the policy. Liberty declined the claim as they said the following exclusion applied:

"Exclusions

The following exclusions apply to this Section and does not cover;

Damage caused by or consisting of:

O. movable property in the open including fences and gates caused by wind, rain, hail, sleet, snow, flood or dust; other than to Sightcreens and Scoreboards"

Our investigator was of the view that the exclusion was specifically for *movable* property in the open, including, by extension of the wording, *movable fences* rather than permanently fixed fences. In contrast, Liberty's position is that the policy exclusion excludes movable property, and separately, excludes fences, whether movable or not.

Having considered the wording of the exclusion, and Liberty's arguments in relation to the wording of the policy and exclusion, I don't agree with their position. I'll explain why.

Reading the exclusion Liberty has relied on to decline the claim, my interpretation of it is that this exclusion excludes damage to *movable* property in the open. The key point of focus being *movable* property. And this then gives examples of *movable* property in the open which is excluded, including fences and gates. So, this implies, *movable* fences and gates in the open are excluded, rather than more broadly, *any* fences whether movable or not.

Liberty has said the policy intention is to exclude fences more generally whether movable or not and they say that is clear, but I don't agree based on the specific wording of the exclusion as outlined.

Liberty has also referred to another part of the policy, which they say shows the intentions of the exclusion above and more general policy cover more broadly:

"Playing Surfaces Extension

If stated as operative within the Schedule the insurance (sic) by this Section of this Policy includes Damage to playing surfaces caused by;

- A. fire, lightning, aircraft, storm or flood; or*
- B. emergency services attending the Premises up to a maximum of GBP5,000 any one Loss.*

This Extension excludes Damage caused by:

- A. frost or subsidence or ground heave or landslip*
- B. walls, fences or gates or movable property in the open"*

However, this exclusion, whilst not relevant here as this isn't a claim for damage to the playing surfaces, is worded differently. This exclusion makes a distinction to exclude, more generally, damage caused to playing surfaces *by* fences. And it separates fences specifically from movable property in the open by the use of the word "*or*". Therefore, fences and movable property in the open are clearly separated here, and damage caused by them to playing surfaces is excluded independently of each other - unlike the exclusion which Liberty has applied when declining B's claim.

The policy wording needs to clearly explain what is excluded, rather than leave it to the policyholder to try to understand the intentions, whilst not specifically written, of the underwriters.

The fences damaged during the winds are fixed, and the exclusion is worded to exclude *movable* property, and then gives examples of *movable* property which isn't covered. As the damaged fences here aren't movable and are permanently fixed, I don't think Liberty has acted fairly or reasonably in declining the claim for fixed fences damage based on an exclusion relating to *movable* property, including *movable* fences, in the open.

With this in mind, it's not fair or reasonable for Liberty to apply this exclusion to decline the claim, and they therefore need to reconsider B's claim in line with the remaining policy terms.

My final decision

It's my final decision that I uphold this complaint and direct Liberty Mutual Insurance Europe SE to:

- Reconsider B's storm damage claim in line with the remaining policy terms

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 19 October 2022.

Callum Milne
Ombudsman