

The complaint

Mr B has complained that AA Underwriting Insurance Company Limited (AA) unfairly declined a claim for storm damage under his home insurance policy.

What happened

Mr B contacted AA to report the roof to the outbuilding on his property had been damaged in a storm. AA sent a surveyor to inspect the damage. It then declined the claim because it said the damage was the result of the pre-existing condition of the property, which had left it more susceptible to damage.

When Mr B complained, AA maintained its position that it had been correct to decline the claim. So, Mr B complained to this service. Our investigator didn't uphold the complaint. She said it was reasonable for AA to decline the claim due to the pre-existing condition of the roof, which meant the storm wasn't the main cause of the damage.

As Mr B didn't agree, the complaint was referred to me.

I issued my provisional decision on 4 October 2022. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

When we look at a storm claim complaint, there are three main issues we consider:

- 1. do we agree that storm conditions occurred on or around the date the damage is said to have happened?*
- 2. is the damage claimed for consistent with damage a storm typically causes?*
- 3. were the storm conditions the main cause of the damage?*

We're only likely to uphold a complaint where the answer to all three questions is yes.

The policy said storm conditions were wind speeds of at least 55mph. AA hasn't disputed there was a storm around the time of the damage. I've looked at weather reports from around the time of the damage and this showed wind speeds around the figure stated in the policy, so I think it's fair that AA accepted there was a storm.

The damage was to roof panels and I think this is consistent with the type of damage a storm could cause. So, I think the answer to the first two questions is yes.

For the third question, I've read the surveyor's report which was completed following the inspection of Mr B's outbuilding. This is very brief and contains almost no description of what the surveyor found during the visit. The only description of the external damage was "St[or]m damage to steel sheet roof area of large outbuilding". In answer to the question "Any pre-existing or ongoing external buildings defects/issues that are not peril related?", the surveyor answered "no". Based on this limited information, I think it is reasonable to conclude that the surveyor assessed there was storm damage to the roof and that there weren't pre-existing issues that had contributed to the damage. However, the claim was then referred back to AA because the surveyor didn't have the authority to make the decision on the claim.

Following an internal assessment by AA the claim was then declined. So, I've looked at the reasons for this. AA's main concern seemed to be that there was no door on the outbuilding and so it discussed internally whether it should provide cover. It then declined the claim because:

"the main cause of the damage to property isn't directly related to the storm winds. The winds have highlighted existing defects in the roofing structure. Although the large opening has been there since the building was constructed, if there was a door there the winds would have been prevented from entering the building and therefore a vacuum effect wouldn't have been created dislodging the roof sheets. The main cause of damage to the property has been pre-existing condition of the property which has left it more susceptible to damage due to its age and design."

It quoted a general exclusion that said it wouldn't cover:

"Loss or damage arising from gradually operating causes including deterioration, wear and tear, corrosion, rot or similar causes."

I haven't currently seen evidence that shows there were existing defects in the roofing structure. The surveyor didn't note any when he visited the property. I've also looked at the surveyor's photos and although I can see issues with the roof, I haven't seen anything that shows those issues were there before the storm damage, rather than caused by it, particularly as the surveyor confirmed there were no defects that weren't peril related.

I've also thought about the issue of there being no door on the outbuilding. AA seems to have put some weight on this as a reason to decline the claim. But I don't think the absence of a door can fairly be described as a "gradually operating cause", which is the exclusion AA has relied on. A gradually operating cause, as defined by the policy, is issues such as wear and tear.

I also didn't see any reference to a "vacuum effect" in the information provided to this service by AA, apart from in the letter sent to Mr B in response to his complaint. So, I haven't currently seen anything to show how it reached the conclusion this was what happened or any evidence that the damage to the roof was the result of anything other than a one-off event around the time of the claim.

I also note that when AA explained to this service why it thought it was reasonable to decline the claim, it said:

"...the building has open apertures where a door and window should be. These open apertures haven't protected the building from the winds and allowed winds to cause damage that may not have occurred if the door and windows were there."

However, when it described the circumstances of the claim it said:

"metal roof panels has lifted on out building. A window has been blown out as well"

So, AA's files noted that the window formed part of the claim, but seemed to suggest to this service that the window was a pre-existing issue.

Based on what I've currently seen, I don't think it was reasonable for AA to decline the claim. The brief findings from the surveyor seemed to conclude the storm was the cause and although AA has then tried to apply an exclusion, I haven't currently seen evidence of a gradually operating cause that was more likely the main cause of the damage.

As a result, I currently intend to uphold this complaint and to require AA to settle the claim for damage to the outbuilding. If AA pays a cash settlement for the claim, it should pay interest on that amount because Mr B has lost use of that money.

I asked both parties to send me any more information or evidence they wanted me to look at by 1 November 2022.

Mr B agreed with my decision.

AA acknowledged receipt of my decision but didn't provide any comments.

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.

Having done so, I've decided to uphold this complaint and for the reasons given in my provisional decision. I haven't found any reason to change how I think this complaint should be resolved.

Putting things right

AA should settle the claim for the outbuilding. If it pays a cash settlement, it should pay interest on that amount.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require AA Underwriting Insurance Company Limited to:

- settle the claim for damage to the outbuilding
- if it pays a cash settlement, pay 8% simple interest on that amount from the date on which the claim was first made to the date on which the money is paid to Mr B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 November 2022.

Louise O'Sullivan
Ombudsman