

The complaint

Mr S complains about QIC Europe Ltd (QIC), declining a claim under his home insurance policy for damage to his 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, Mr S's property suffered damage, to tiles on the main roof and a flat roof at the rear of the property, as well as to a chimney. There was also damage to a shed from the felt that came off the flat roof. He contacted QIC to tell them about the damage and lodge a claim.

QIC said they'd arrange for a surveyor (L) to visit the property and assess the damage. Because of the number of claims from Storm Eunice, L couldn't visit until a month after the incident. Because the damage left the interior of the property exposed, Mr S arranged for temporary repairs to mitigate further damage (although more rain fell and affected the interior of the property, including the power supply).

L inspected the damage, but in his report he declined all aspects of the claim. On the flat roof, from pictures taken before the temporary repair, L concluded it was in poor overall condition prior to the incidence, having previously been painted over and with cracks/splitting around the perimeter and signs of solar degradation. On the damage to the chimney, L said a section of mortar had cracked and come away where it had previously been re-done above the lead flashing. L concluded the damage wasn't the result of a one-off event of storm damage, rather the storm had merely highlighted pre-existing issues as opposed to being the proximate cause of the damage. As such, the damage wasn't covered under the policy.

On the internal damage, L noted rainwater had come in, affecting bedrooms at the rear of the property and the kitchen. But because Mr S's policy didn't include cover for accidental damage (and the claim for external damage to the flat roof and chimney had been declined) then the claim for the internal damage was also declined.

Mr S challenged L's report and the decline of his claim. He thought L's report contained several discrepancies about the details of his property. Nor did it consider all aspects of the damage he'd told QIC about (the main roof tiles and shed). He also thought L's attitude during the survey was abrupt and dismissed the points of mitigation he'd raised. Mr S also said he'd had contractors inspect and work on both the flat roof and the chimney, who hadn't raised concerns about the condition of either. Based on this, Mr S complained to QIC. QIC didn't uphold the complaint, confirming their decision to decline the claim in their final response. While they accepted there were storm conditions at the time of the incident, based on L's conclusions about the condition of the flat roof, the chimney mortar and the flashing before the incident, they said the storm highlighted pre-existing issues of degradation and deterioration over time. It wasn't the cause of the damage. On the internal damage, as the claim for external damage had been declined, the policy wouldn't cover the internal damage

as storm damage. And as the policy didn't include accidental damage cover, the internal damage couldn't be considered under that section.

Mr S then complained to this service. He didn't think QIC had acted fairly in declining all three elements of his claim. They'd omitted tile damage, despite it being highlighted to them and L. He thought damage to the chimney was due to the storm as the high winds had uplifted the flashing, damaging the mortar. Damage to the flat roof was also caused by the storm. Decline of the claim had caused significant financial loss and stress, he thought QIC's refusal to expedite a survey of the damage also led to further [avoidable] internal damage. His health had been affected by QIC refusing to provide alternative accommodation when the property was uninhabitable. He wanted QIC to accept all elements of his claim and pay for the damage. He also wanted compensation for the stress he'd suffered and the impact on his health.

Our investigator upheld the complaint in part. He thought storm conditions were present at the time of the incident and the damage was consistent with that expected in a storm. He considered evidence from contractors who'd previously worked on the flat roof about its condition but concluded there were indications of deterioration and QIC acted reasonably in declining this aspect of the claim. On the chimney damage, he thought signs of cracking indicated a pre-existing issue and so QIC had fairly declined this aspect. On the roof tile damage, he noted this hadn't been considered by L in their report. But he noted QIC had, as a goodwill gesture, agreed to reimburse Mr S for the cost of repair (£180).

On the damage to the interior of the property, the investigator didn't think it was fair for QIC to decline the claim because they'd declined the claim for damage to the exterior of the property. He thought the storm was the direct cause of the interior damage (there were no indications the damage existed before the storm). On alternative accommodation, the investigator thought this would only be considered had QIC accepted the claim – as they'd declined the claim, he wouldn't have expected it to be offered. On the attitude of L during the inspection, while he didn't doubt what Mr S had said, as he wasn't present it wasn't possible to determine exactly what had happened.

Based on his findings, the investigator thought QIC should cover the cost of repairs to the damage of the interior of the property. They should also pay the £180 cost of repair of the roof tiles and £200 compensation for distress and inconvenience caused to Mr S.

Mr S responded to say he was disappointed with the investigator's view about QIC declining the claim for exterior damage. He provided further evidence, including photographs, that he believed showed how the damage to the chimney and the flat roof may have occurred.

QIC disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They said that as the storm damage wasn't the direct cause of the damage to the exterior of the property, the consequent internal damage couldn't be considered under the policy (as storm damage). As the proximate cause of the external damage was gradual deterioration, then the internal damage was also a direct result of that gradual deterioration. While they would have considered the internal damage under accidental damage, as Mr S didn't have accidental damage cover, they couldn't do this.

In my findings, I concluded it was reasonable for QIC to decline the element of Mr S's claim for damage to the flat roof. But I concluded they hadn't acted fairly in declining the element of the claim for damage to the chimney. I also concluded QIC hadn't acted fairly in declining the claim for interior damage.

Having reached these conclusions, I considered what QIC needed to do to put things right. I thought it was reasonable for them to pay for the repair to the main roof (£180) as a goodwill

gesture, so they should pay Mr S the £180 if they hadn't already done so. On the external damage to the chimney, I thought they should assess that in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate). Similarly, I thought they should assess the interior damage in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).

On the issue of compensation, I considered what Mr S described about the stress the incident caused him, and what he said about how he felt he was treated by QIC (and his dealings with L). On the latter, I didn't reach any clear conclusion about what may have happened. But thinking about the incident and what happened overall, I thought it would have been stressful for Mr S. Taking account of all the circumstances, I thought £200 for distress and inconvenience would be reasonable.

Because I reached different conclusions to those of our investigator in some respects, I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd first want to say I appreciate what Mr S has told us about his health and how it has affected him. I also recognise the incident and the damage caused to his property will have been stressful to him. I've borne this in mind when deciding (as is my role) whether QIC has acted fairly towards Mr S.

There are several main elements to Mr S's complaint for me to consider. First, whether QIC acted fairly in declining Mr S's claim for the damage to the exterior of his property. That is, to the chimney, to the flat roof and to the tiles of the main roof. Second, whether QIC acted fairly in declining Mr S's claim for the damage to the interior of his property that followed from the damage to the exterior (the latter leading to rainwater coming in, despite the temporary repairs). Third, there's the stress Mr S says the incident (and QIC's handling and decline of his claim) has caused him. Within this, there's also Mr S's unhappiness at how L carried out the inspection of the damage.

On the first issue, I've noted L didn't consider the damage to the main roof tiles in his report (despite Mr S saying he drew it to his attention). However, I've also noted QIC have agreed to pay for the cost of repairing the damage to the tiles as a goodwill gesture. As such, they haven't considered it as a claim under the policy, meaning they haven't applied any policy excess that would otherwise have been due. I think this is fair and reasonable in the circumstances.

Coming back to the other elements of damage (the flat roof and chimney), Mr S says the storm caused the damage and both were in good condition prior to the incident. He's also provided evidence from contractors who carried out work in the period before the incident, including their view (on the flat roof) it was in good condition. QIC say (based on L's report) the flat roof was in poor overall condition prior to the incidence, having previously been painted over and with cracks/splitting around the perimeter and signs of solar degradation. On the damage to the chimney, L say a section of mortar had cracked and come away where it had previously been re-done above the lead flashing. Based on this QIC say the damage wasn't the result of a one-off event of storm damage, rather the storm had merely highlighted pre-existing issues as opposed to being the proximate cause of the damage.

In considering the two views, whether the damage resulted from a storm or from pre-existing issues, 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 accept there were storm conditions around Mr S's property at the time of the incident. noting a highest wind speed of 71 mph. This accords with the weather reports from the weather firm this service uses, which indicate a 'dry storm' at the time of the incident (and the same wind speed of 71 mph). So, I've concluded there were storm conditions present around the date of the incident.

On the second question, the description of the damage and photographs indicate damage to the flat roof (the felt being blown off); to the chimney (raised flashing and cracked mortar); and to the main roof (dislodged tiles). All three 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 the key issue, where Mr S and QIC disagree. I've considered both views carefully, together with the report from QIC's surveyor and the views of Mr S and the evidence he's provided from his contractors. I've also considered the photographs provided by Mr S and QIC (before and after the incident) as well as the further information and representations made by Mr S and QIC when responding to our investigator's view. Taking all these points into account, I've concluded QIC have acted fairly in declining Mr S's claim for exterior damage. 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 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:*
- Wear and tear...*
 - 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."

Considering the issue of the flat roof first, QIC refer to L's report, which states the flat roof:

"...is in a poor overall condition, we can see that it has previously been painted over and the felt around the perimeter looks cracked/split and shows sign of solar degradation."

QIC also say the felt could only have been lifted from the roof if the wind had got underneath it, which would have been the result of cracks or gaps in the felt (which would have been the result of deterioration).

However, Mr S's contractor has provided the following opinion (referring to some work they carried out at the property, rendering the external walls):

"...Whilst working up the scaffold, the owner of the property, Mr S, requested that I could check his main roof and his flat roof. The roof looked in good order with no visible defects, I took a photo for Mr S, which believe he has a copy...I took of the roof on 29th April 2021.

In summary, I can confirm that on 29th April 2021, when I inspected the roof at the above address, there were no visible defects or issues."

Mr S also says the flat roof was affected by the dislodging of tiles from the main roof, allowing the wind to blow through the roof and under the boards beneath the felt roof, destabilising and lifting the felt surface entirely.

I've considered all these points carefully, but on balance I'm more persuaded by QIC's (L's) view. From the photographs both before and after the incident there are signs of the felt suffering deterioration. Around the perimeter and across the flat surface, which appears uneven and with some gaps at the edges. While I've noted the view of Mr S's contractor when he viewed the roof in April 2021, though he states there are no visible signs of deterioration, I'm not persuaded given what I've said about the photographs.

I've also considered what Mr S has said about the roof being destabilised and lifted due to wind entering through the gap left by the dislodged tiles on the main roof. However, I'm not persuaded this explains the felt roof being lifted. The boards under the felt roof appear to be intact, which isn't consistent with what Mr S has said. Nor can I see how wind would have moved through the gap in the main tiles as Mr S suggests and lift the boards (and detach the felt). So, I'm persuaded by QIC's view that the wind could only have lifted the felt by getting in through gaps and cracks (which I've said above I think there is evidence of).

I've also not seen any evidence to indicate when the felt roof was last worked or (or replaced). Mr S says he moved into the property in 2015, suggesting no work on the roof since that time. I've also considered that it's generally accepted that felt-covered flat roofs have a more limited lifespan than slate-covered, pitched roofs (depending on the precise method of construction). In the absence of any indication of major work (or replacement) on the roof, together with what I've said about the appearance of the roof's condition before the incident and the likely cause of the wind lifting the felt roof, I've concluded QIC have shown it was reasonable to apply the exclusion to decline this element of the claim.

Turning to the issue of the damage to the chimney, L's report stated:

"The chimney has a section of mortar coming away where it has been re-done in a small fillet above the lead but not adequately sized or adhered to the chimney and has cracked and fallen away."

QIC accept the mortar at the base of the chimney was re-done, but say the photographs indicate it had started to crumble and crack, indicating deterioration. QIC say the deterioration of the mortar (applied on top of the lead flashing) has allowed the flashing to de-bond from the roof, which has then been highlighted by the wind. Mr S says the flashing flipped up along the roof line due to the excessive wind speed and consequently dislodged and broke the mortar in the chimney (allowing water to enter the roof and loft).

I've considered both views carefully, together with the photographs of the chimney. On balance, I'm persuaded by Mr S's view. I say this because the photograph of the chimney and roof ridge tile line leading to the chimney taken after the storm shows the lead flashing along the tile line has been blown upwards (though the ridge tiles themselves appear to have remained in place). This lead flashing then runs to the piece of flashing adjacent to the chimney, which has similarly flipped upwards. I think that has dislodged the mortar sitting on top of it. While there is some cracking of the mortar around the rest of the base of the chimney, it's remained in place and hasn't broken away in any other place. This suggests any cracking is only superficial. So, I don't think mortar deterioration has caused the damage to the chimney.

Based on this, I've concluded QIC haven't acted fairly in applying the exclusion to decline this element of the claim.

Having concluded QIC acted fairly in declining the claim for the exterior damage to the flat roof – but unfairly in declining the damage to the chimney - I've considered their decline of the internal damage. Mr S maintains QIC should accept all elements of this claim (including the interior damage). He believes the storm damage not only affected the exterior parts of his property, but the latter meant rainwater was able to enter the interior of the property and cause damage (despite the temporary repairs). QIC say that as the storm damage wasn't the direct cause of the damage to the exterior of the property, the consequent internal damage couldn't be considered under the policy (as storm damage). As the proximate cause of the external damage was gradual deterioration, then the internal damage was also a direct result of that gradual deterioration. While they would have considered the internal damage under accidental damage, as Mr S didn't have accidental damage cover, they couldn't do this.

I've considered both views carefully, but I don't agree with QIC, concluding they haven't acted fairly. I've come to this view for several reasons. First, while I agree they've acted reasonably in declining the claim for the exterior damage to the flat roof (but not the chimney) on the grounds of deterioration, I don't accept this means the interior damage is also, automatically covered by the same reasons for decline. I say that because there's no indication of any interior damage prior to the storm (the interior photographs show the property to be in a good condition and Mr S has told us he's been renovating the property since he moved into it). So, the interior damage is a direct consequence of the storm and the subsequent ingress of rainwater.

And as I've concluded the exterior damage to the chimney was unfairly declined, then any damage from rainwater ingress through that part of the property should be covered.

Based on this, I've concluded QIC haven't acted fairly in declining the claim for internal damage. Having reached this conclusion, QIC's decline to consider the internal damage under accidental damage (as that cover wasn't included in Mr S's policy) isn't something I need to consider further.

Having reached the conclusion QIC have acted fairly to decline the claim for exterior damage – but they've acted unfairly to decline the claim for interior damage - I've thought about what I think QIC need to do to put things right.

Having agreed to pay for the repair to the main roof (£180) as a goodwill gesture, which I think reasonable, QIC should pay Mr S the £180 if they haven't already done so. On the external damage to the chimney, I think they should now assess that in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate). Similarly, I think they should assess the interior damage in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).

Having reached these conclusions, I've also considered the issue of compensation. Mr S has described the stress the incident has caused him, and I've thought about this carefully. I've also considered what Mr S has said about how he feels he was treated by QIC (and specifically his dealings with L). On the latter, I've noted what Mr S has said, but I can't reach any clear conclusion about what may have happened. But thinking about the incident and what's happened overall, I think it will have been stressful for Mr S. Taking account of this and all the circumstances, I think £200 for distress and inconvenience would be reasonable.

My provisional decision

For the reasons set out above, it's my provisional decision to partially uphold Mr S's complaint. I intend to require QIC Europe Ltd to:

- *Pay for the repair to the main roof (£180) if they haven't already done so.*
- *Assess the claim for external damage to the chimney in line with the remaining terms and conditions of the policy (including, any excess under the policy, as appropriate).*
- *Assess the claim for interior damage in line with the remaining terms and conditions of the policy (including, any excess under the policy, as appropriate).*
- *Pay £200 for distress and inconvenience.*

QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell them Mr S accepts 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.

Mr S responded to say he was pleased at the provisional decision conclusions about damage to the chimney and the internal damage. He wanted to bring the case to a conclusion as quickly as possible. He made several points. First, that the provisional decision didn't indicate any amount for the cost of repairs, and QIC hadn't considered replacement of kitchen units that had suffered water damage (the cost of replacement he estimated to be £8,000). Nor had QIC made any assessment of damage to contents in the property (and the provisional decision didn't mention contents, which he wanted to be included in any final decision).

QIC responded with several points. First, they said they £180 they'd offered towards roof repairs was a goodwill gesture – it wasn't offered as cover under the policy. As such, no excess would be applied. They wouldn't consider any further damage for this area (roof repairs) under the policy.

Second, having previously reviewed the damage to the chimney, they were satisfied the damage wasn't a direct result of a storm and the missing mortar in the chimney was due to gradual deterioration of the mortar. Third, as they hadn't covered any external damage under the storm section of the policy, they wouldn't provide cover for internal damage under the storm section either. Nor would they consider any internal damage under the accidental damage section of the policy, as Mr S hadn't taken out this element of cover. But they did accept the proposed £200 compensation

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 have acted fairly towards Mr S.

I've considered carefully the points made by both Mr S and QIC.

Taking the points raised by Mr S first, the provisional decision didn't indicate any amount for the cost of repairs, as it isn't the role of this service to assess and settle claims. It's the responsibility of the insurer (QIC in this case). Which is why the provisional decision referred to QIC assessing the claim for external damage (to the chimney) and to the internal damage. The latter would include any water damage Mr S says was caused to kitchen units and to any other contents in the property. So, it would be for QIC to assess these elements of claim, in line with the remaining terms and conditions of the policy. I'd expect that to involve discussion with Mr S and the outcome of the assessment would include the value (again, it isn't the role of this service to put a value on claims).

On the points raised by QIC, I acknowledge they've made a goodwill gesture to cover the cost of repairs to the roof tiles (not the chimney or the flat roof). As such, it's not a claim under the policy, so I agree a policy excess wouldn't be applied. But QIC have agreed to make the payment, which I concluded was reasonable and should be paid (if it hasn't already been paid). So, I haven't changed my view on this point.

On their second point, damage to the chimney, QIC have simply reiterated their view that the damage wasn't a direct result of a storm and the missing mortar in the chimney was due to gradual deterioration of the mortar. I considered this view carefully in my provisional decision, but concluded I was persuaded by Mr S's view of how the damage was caused. That was, the lead flashing along the tile line had been blown upward, including the piece of flashing adjacent to the chimney. I thought that dislodged the mortar sitting on top of it. As the mortar around the rest of the base of the chimney remained in place and hasn't broken away, this suggested any cracking was only superficial. So, I didn't think mortar deterioration caused the damage to the chimney. QIC haven't offered any new evidence that has caused me to change my view on this point.

On QIC's third point (that as they hadn't covered any external damage under the storm section of the policy, they wouldn't provide cover for internal damage under the storm section either) I've also considered this point. In my provisional decision I set out my reasons for disagreeing with QIC. Firstly, while I agreed they've acted reasonably in declining the claim for the exterior damage to the flat roof (but not the chimney) on the grounds of deterioration, I didn't accept this meant the interior damage was automatically covered by the same reasons for decline. I concluded the interior damage was a direct consequence of the storm and the subsequent ingress of rainwater. And as I concluded the exterior damage to the chimney was unfairly declined, then any damage from rainwater ingress through that part of the property should be covered. QIC's response doesn't address these reasons, so I haven't changed my mind on this point. And as my conclusion didn't rely on the damage being covered under the accidental damage section of the policy (which Mr S hadn't taken out) then this point doesn't change my overall conclusion.

I've noted QIC accept the provisional £200 compensation for distress and inconvenience (on which Mr S hasn't commented) so I haven't changed my view on that element of the provisional decision.

My final decision

For the reasons set out above, it's my final decision to partially uphold Mr S's complaint. I require QIC Europe Ltd to:

- Pay for the repair to the main roof (£180) if they haven't already done so.
- Assess the claim for external damage to the chimney in line with the remaining terms and conditions of the policy (including, any excess under the policy, as appropriate).
- Assess the claim for interior damage in line with the remaining terms and conditions of the policy (including, any excess under the policy, as appropriate).

- Pay £200 for distress and inconvenience.

QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell them Mr S accepts 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 Mr S to accept or reject my decision before 20 December 2022.

Paul King
Ombudsman