

The complaint

Mr M is complaining that QIC Europe Ltd has declined a claim he made on his buildings insurance policy.

What happened

Mr M's property suffered damage during a storm so he contacted QIC to claim for the damage. QIC instructed a surveyor to inspect the property who agreed the damage was covered under the policy. And QIC offered Mr M a cash settlement of £4,917.73 less his excess of £200. However Mr M didn't want to accept a cash settlement as he would have had to source someone to do the work. So QIC said it would arrange for one of its contractors to do the work.

QIC arranged for another contractor to come out, but this contractor considered the damage to be down to wear and tear. So QIC said the claim wasn't covered.

Mr M complained about the way QIC had handled the claim. QIC offered Mr M £225 in compensation for initially saying it would settle the claim. But it maintained the loss wasn't covered under the terms of the policy. So Mr M referred his complaint to this Service.

Our investigator upheld this complaint. He said one surveyor had initially said there were no concerns with the claim, but a second surveyor then expressed concerns. However, the investigator said there wasn't anything to substantiate the second surveyor's report. The investigator also highlighted that the windspeed at the time of the loss was 74mph, which he said was hurricane strength. So he thought the damage incurred was down to the strength of the winds as opposed to wear and tear.

QIC didn't agree with the investigator as it maintained the damage was down to wear and tear. And it asked for an ombudsman to review the complaint.

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've decided to uphold this complaint and I'll now explain why.

The terms of the insurance policy covers Mr M for loss or damage arising from a storm. However, the terms of the policy also sets out that it won't cover loss or damage that happens gradually – i.e. it's down to wear and tear. QIC believes the damage occurred because of gradual damage to the fixings.

In thinking about this, I've asked myself three questions:

1. Were there storm conditions as defined under the terms of the insurance policy?
2. Is the damage claimed for consistent with damage a storm typically causes?

3. Were the storm conditions the main cause of the damage?

There were wind speed of around 74mph at the time the damage occurred. So I'm satisfied there was a storm and it's not unusual for such windspeeds to damage roof tiles and fences. So I'm satisfied the answer to questions (1) and (2) is "yes". This also isn't in dispute. The issue is whether the storm was the main cause of the damage.

It first needs to be remembered that there were extremely high wind speeds at the time – 74mph would be considered hurricane strength. I've considered the second surveyor report QIC has provided which does suggest there was some wear and tear so the fixings – fence posts and alleged worn timber. But I'm conscious it hasn't provided any photographs to support this. And, further to this, the initial survey report doesn't set out or express any concerns about the quality of the fixings.

It's, ultimately, for the consumer to show that there was loss or damage arising from an insured event – in this case a storm. But it's then for QIC to demonstrate an exclusion clause applies that entitles it to decline the claim. As I said, there were extreme weather conditions at the time. And I'm satisfied Mr M has demonstrated an insured event has taken place. However, I don't think QIC has given me enough to say the main cause of the damage was down to gradual deterioration of the fixings. As I said, there are two conflicting reports, but QIC hasn't provided anything to support that the second surveyor report is what actually happened. I don't dispute that there's likely to be *some* wear to the fixing, but I don't think it's likely this was the main cause of the damage. It seems to me that the most likely cause of the damage is the high winds that occurred on that date. So it follows that I think it was unfair for QIC to decline the claim.

I understand that Mr M has since paid to have the damage repaired. So I think QIC should refund the amount Mr M has paid – subject to him providing a copy of the repair invoice and proof he's paid it.

I also think this matter has caused Mr M a lot of distress and inconvenience. QIC initially said it would settle the claim, but then retracted this offer a number of months later. I can see Mr M was continually having to chase for an update during that time too. Finally, Mr M had to arrange to get the repairs done himself, which he shouldn't have had to do. I note QIC has already offered £225 in compensation, but I think £400 is a fairer reflection of the distress and inconvenience it's caused Mr M.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require QIC Europe Ltd to do the following:

1. Refund the amount Mr M has paid to repair the damage – subject to him providing a copy of the repair invoice and proof he's paid it;
2. Pay 8% simple interest per year on the amount Mr M paid from when he paid it until he gets it back. If QIC thinks that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax if appropriate.
3. While I understand Mr M has repaired the damage, QIC should arrange to repair the damage if he hasn't done so.
4. Pay £400 in compensation for the distress and inconvenience it's caused. It can deduct the £225 previously offered if it's already paid this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 April 2023.

Guy Mitchell
Ombudsman