

## The complaint

Mr W 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 W's property suffered damage, affecting his main property as well as a barn and shed. The barn suffered significant damage, with debris from the barn roof and sides (which were made of corrugated metal) damaging the roofs of the adjoining shed and the main property. Mr W contacted QIC to tell them of the damage and lodge a claim. QIC advised Mr W to make temporary repairs to the main property roof, to mitigate further damage (which he arranged).

QIC arranged for a surveyor to visit the property the week after the incident to assess the damage. In his report the surveyor noted the damage to the barn, and that the shed and main property roof had sustained impact damage from debris from the barn. But the report also noted the roof timbers to the outbuildings showed signs of decay and progressive deflection, as well as a policy exclusion for open-sided/agricultural buildings.

Based on the surveyor's report, QIC declined the claim. As well as the surveyor's findings, QIC noted photographs of the barn indicated multiple roof repairs and the timber frame had become rotten over time. Based on this, QIC said a policy exclusion for gradual deterioration meant damage to the barn wouldn't be covered. They also referred to a policy exclusion for agricultural buildings (outbuildings) which they said applied to the barn.

On the damage from the barn debris to the shed and main property, QIC said they'd assessed this as accidental damage – not storm damage, as the damage to the shed and main property hadn't been caused by the storm itself. Rather, it was from debris from the barn. However, Mr W's policy didn't include accidental damage cover, so wouldn't cover the damage to the shed and main property.

Mr W challenged QIC's decision and complained. But they didn't uphold the complaint, confirming their decision in their final response. On the damage to the barn, while they accepted there were storm conditions at the time of the incident, based on their surveyor's report about the condition of the barn prior to the incident, they said the storm highlighted pre-existing gradual deterioration - it wasn't the direct cause of the damage. QIC also referred to the policy definitions of 'home' and 'outbuildings', saying the latter excluded agricultural buildings. QIC said the barn housed farm implements, such as tools, so they considered the barn an agricultural building (and therefore excluded from cover).

On the damage to the main property and the shed, QIC confirmed it was considered as accidental damage, as the direct cause of the damage was from the impact of the barn debris – not the storm directly. As Mr W's policy didn't include accidental damage cover, then the damage wouldn't be covered.

Mr W then complained to this service. He didn't think QIC had fairly declined his claim, saying his house and outbuildings (the barn) weren't 'open-sided or agricultural buildings. He was also left with a hole in his main property roof, which was allowing water ingress (despite the temporary repair). He found it difficult to engage a contractor and had been quoted £1,620 for a permanent repair. He wanted QIC to accept his claim and either repair the damage to the structures at his property or agree for him to proceed with the most affordable repairs and reimburse him for the cost. He also said the incident and QIC's handling of the claim had been very stressful for him and his wife, causing them anxiety and affecting their mental health.

Our investigator didn't uphold the complaint, concluding QIC acted within the policy terms and conditions. She thought the surveyor's report indicated signs of decay in the barn roof timbers and the storm highlighted existing issues with the condition of the barn, so QIC acted fairly in applying the exclusion for gradual deterioration. She also thought damage to the main property and shed weren't covered, and that keeping tools in the barn meant it was classed as an agricultural building (which the policy didn't cover).

Mr W disagreed with the investigator's conclusions and requested an ombudsman review the complaint. He thought his main property should be covered, as it was the storm that led to the damage (by debris from the barn hitting the roof). He also disagreed with QIC classifying the damage as accidental, rather than storm, and said the damage to the main property and outbuildings was due to the storm (high winds). He also disputed the barn was in poor condition before the incident - the surveyor said it had been maintained regularly. He also disagreed the presence of tools in the barn meant it was an agricultural building.

In my findings, regarding the damage to the barn, I considered the views of Mr W and QIC carefully, including the photographs of the barn. Also, the video of the barn being lifted and deposited on the adjacent shed supports the point about it being open on at least part of one side, allowing the wind to enter and lift the structure. I concluded there was clear evidence of multiple previous repairs to the barn roof, and signs of decay of the roof timbers. More generally, the photographs show evidence of poor condition. From this, I was more persuaded by QIC's view that the barn had pre-existing issues. Based on this, I concluded the storm conditions weren't the main (or dominant) cause of the damage, so I was persuaded QIC had shown the exclusion for gradual deterioration applies. And so, they acted fairly in declining Mr W's claim for damage to the barn.

I also considered the second ground for declining the claim for damage to the barn, that it was an agricultural building. QIC said the barn was an agricultural building. But Mr W disagreed. Having considered this point, I was persuaded by QIC's view. From the photographs I noted is the presence of a tractor (and tractor cab/cover) in the remains of the barn. This strongly suggested the barn was being used to store items used in agriculture, so I'm persuaded by QIC's view the barn was being used as an agricultural building. The policy terms and conditions excluded agricultural buildings from cover. So, I concluded QIC acted fairly in applying this exclusion (as well as the exclusion for gradual deterioration) to decline the claim for damage to the barn.

I then considered the decline of the claim for damage to the adjoining shed (outbuilding) and the roof of the main property. Having considered the issue, I concluded QIC didn't act fairly and reasonably in not assessing damage to the shed and main property under the storm damage section of the policy.

While I agreed QIC acted reasonably in declining the claim for the damage to the barn on the grounds of deterioration, I didn't accept this meant the damage to the shed and main property was also, automatically covered by the same reason for decline. That's because

there wasn't any clear indication of damage prior to the storm. So, the damage to the shed and main property was a direct consequence of the storm and the impact from debris from the barn. Based on this, I concluded QIC didn't act fairly in declining the claim for damage to the shed and barn.

Having reached these conclusions, I thought about what QIC should do to put things right. On the damage to the shed and main property, I thought they should assess that as storm damage in line with the remaining terms and conditions of the policy.

I also considered the issue of compensation. Taking account of all the circumstances, I thought £150 for distress and inconvenience would be reasonable.

Because I reached different conclusions to those of our investigator, 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*

*My role here is to decide whether QIC has acted fairly towards Mr W.*

*There are several elements to Mr W's complaint, but the main one is that QIC unfairly declined his claim for damage to his main property, barn and shed. Within this, the grounds for decline differ. For the barn, the grounds were - while there were storm conditions at the time of the incident - they weren't the main cause of the damage. Rather, it was due to pre-existing issues with the condition of the barn. A second ground for decline is that the barn was (because of the presence of tools) an agricultural building – so excluded from cover.*

*For the main property and the shed, QIC say it would be considered as accidental damage, as the direct cause of the damage was the impact of the barn roof being detached – not the storm directly. As Mr W's policy didn't include accidental damage cover, then the damage to the main property and shed wouldn't be covered.*

*Mr W disagrees with QIC on both points. As the grounds for decline differ, I've considered each in turn.*

*In considering the damage to the barn, the issue is whether the damage resulted from a storm (Mr W's view) or from a pre-existing issue of gradual deterioration (QIC's view). In considering cases involving storm damage, we look at three key issues:*

- 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 W's property at the time of the incident, noting a highest wind speed of 70 mph (two days before the incident). A weather report provided by QIC from a weather station near to Mr W's property records a maximum wind gust of 89.9mph on the date of the incident. Reports from the station nearest to Mr W's property from the weather firm this service uses also indicate 'dry storm' conditions on the date of the incident (and a peak gust of 81 mph). So, I've concluded there were storm conditions present around the date of the incident.*

*On the second question, the photographs from QIC's surveyor show extensive damage to the barn, with the corrugated metal roof (and sides) being detached and left in a twisted state. There's also clear damage to the adjacent shed and the roof of the main property. I've*

also seen the video footage provided by Mr W, taken on the date of the incident, which shows the barn swaying in the wind and then the sides and roof lifting and falling on the adjacent shed (debris also impacted on the main property). This clearly shows the damage we'd expect in a storm, particularly high winds, happening in real time.

The third question is therefore key, where Mr W and QIC disagree. Specifically, the first ground on which QIC declined the claim – the exclusion for gradual deterioration. I've considered both views carefully, together with the report from QIC's surveyor and Mr W's view. I've also considered the further information and representations made by Mr W when responding to our investigator's view. Taking all these points into account, I've concluded QIC acted fairly in declining Mr W's claim on the grounds of gradual deterioration. 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 Exclusions 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."

QIC also refer to their surveyor's report, which states:

*"The open-sided 'Dutch Barn' displayed obvious signs of damage evident by complete displacement/collapse to the corrugated metal sheet walls/roof structure. The adjacent outbuilding sustained additional damage to the roof covering and structure as a consequence of impact by the 'Dutch Barn'. Associated damage to the rear elevation of the main building's roof compromised isolated fracturing to the slates, which had been temporarily 'patched up'.*

The report goes on to state (under a heading "Any pre-existing or ongoing external building defects or issues that are not peril related?"):

*"The supporting roof timbers to the outbuildings show signs of decay and progressive deflection, while a significant void to the concrete block wall above the door opening was prone to allow [encourage] wind uplift."*

Mr W disagrees the barn was in poor condition before the incident, saying the surveyor said it had been maintained regularly. I've considered both views carefully and I've looked closely at the photographs of the barn. The video of the barn being lifted and deposited on the adjacent shed also supports the point about it being open on at least part of one side, allowing the wind to enter and lift the structure.

*There is clear evidence of multiple previous repairs to the barn roof, and signs of decay of the roof timbers (as described by the surveyor). More generally, the photographs show evidence of poor condition – both the barn and the adjacent shed. From this, I'm more persuaded by QIC's view that the barn had pre-existing issues.*

*Based on this, I've concluded the storm conditions weren't the main (or dominant) cause of the damage.*

*Taking these conclusions into account, then I'm persuaded QIC have shown the exclusion for gradual deterioration applies. And so, they acted fairly in declining Mr W's claim for damage to the barn.*

*While I've reached this conclusion, I've also considered the second ground for declining the claim for damage to the barn, that it was an agricultural building. And the policy definitions of 'home' and 'outbuildings' exclude agricultural buildings. QIC say the barn housed farm implements, such as tools, so the barn was an agricultural building. Mr W says the presence of tools in the barn doesn't mean it was an agricultural building.*

*Having considered this point, I'm persuaded by QIC's view. A barn isn't automatically an agricultural building if it's used for other purposes. So, I've considered the evidence available to determine whether the barn could reasonably be thought to be used for agricultural purposes. From the photographs I've seen, there are a lot of items visible in the barn. One thing I've noted is the presence of a tractor (and what appears to be a separate tractor cab/cover) in the remains of the barn. A tractor strongly suggests the barn was being used to store items used in agriculture, so I'm persuaded by QIC's view the barn was being used as an agricultural building. Having looked at the policy terms and conditions, specifically the definitions referred to by QIC, I agree agricultural buildings are excluded from cover. So, I've concluded QIC acted fairly in applying this exclusion (as well as the exclusion for gradual deterioration) to decline the claim for damage to the barn.*

*I've then considered the decline of the claim for damage to the adjoining shed (outbuilding) and the roof of the main property.*

*QIC say they considered the damage as accidental damage, as the direct cause of the damage to the main property and the shed was from the impact of the barn roof (being detached). So, the storm didn't directly cause the damage. As Mr W's policy didn't include accidental damage cover, then the damage to the main property and shed wasn't covered. Mr W says his main property should be covered, as it was the storm that led to the damage (by a piece of the barn roof detaching and hitting the roof). He also disagrees with QIC considering the damage as accidental, rather than storm, saying the damage to the main property and outbuildings was due to the storm (the high winds).*

*Having considered the issue, I've concluded QIC haven't acted fairly and reasonably in not assessing damage to the shed and main property under the storm damage section of the policy. I'll set out why I've come to that conclusion, and what I think QIC need to do to put things right.*

*I've come to this view for several reasons. First, while I agree QIC acted reasonably in declining the claim for the damage to the barn on the grounds of deterioration, I don't accept this means the damage to the shed and main property is also, automatically covered by the same reason for decline. I say that because I've not seen any clear indication of damage prior to the storm. So, the damage to the shed and main property is a direct consequence of the storm and the subsequent impact from debris from the barn.*

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

*Having reached these conclusions, I've thought about what I think QIC need to do to put things right. On the damage to the shed and main property, I think they should now assess that as storm damage in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).*

*Following on from this, I've also considered the issue of compensation. Mr W has told us the incident and QIC's handling of the claim have been very stressful for him (and his wife), causing them anxiety and affecting their mental health. I've thought about this carefully. Thinking about the incident and what's happened overall, I think it will have been stressful for Mr W. Taking account of this and all the circumstances, I think £150 for distress and inconvenience would be reasonable.*

#### *My provisional decision*

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

- *Assess the damage to the shed and main property as storm damage in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).*
- *Pay Mr W £150 compensation for distress and inconvenience.*

*QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell them Mr W 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 W responded to say he agreed with the provisional decision that the damage to the shed and main property should be considered under storm damage. While disappointed with the provisional decision conclusions about the barn (he said he didn't carry out any agricultural work) they didn't want to raise any further points on the issue.

On the provisional decision conclusion about compensation for distress and inconvenience, while he hadn't previously put forward any specific information about the impact of the claim being declined, Mr W set out how the decline of the claim had caused substantial cost, stress and inconvenience. These included the debris from the damage posing a risk to his family and animals, as well as restricting access to the rear of the property. Also, the need to dispose of the debris (which took several days) and the loss of storage for tools and other items. There was also significant work and cost to make temporary repairs to the shed and main property. Had the claim been accepted, Mr W thought clearance of the debris would have been covered under the policy, as would temporary repairs. So, it would be fair for these [reasonable] costs to be reimbursed.

QIC disagreed with the provisional decision. They maintained their view the damage to the shed and main property was caused from the barn roof detachment. As the cause of damage had been deemed as gradual deterioration, this was also the cause of damage to the other areas (the shed and main property).

#### **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 W.

I've considered each of the points raised by Mr W and by QIC in turn.

Mr W's substantive response covered the issue of compensation for distress and inconvenience. I've considered his response carefully, but it doesn't change my view that £150 is fair and reasonable. I appreciate having debris on the property was inconvenient and clearing it would have been time-consuming. But as the debris was, as I understand it, primarily from the barn, it would have had to be cleared away. And as I've concluded QIC fairly declined the claim for damage to the barn, then the responsibility for clearing the debris would always have fallen to Mr W.

On the issue of temporary repairs to the shed and main property, then as I've concluded QIC unfairly declined the claim (and should assess these elements of the claim in accordance with the remaining terms and conditions of the policy) then that assessment should include any temporary repairs to the shed and main property. I'd also expect clearance of any debris from the shed and the main property to be included in the assessment (but not clearance of the debris from the barn for the reasons I've set out above).

Turning to QIC's response, this is essentially a restatement of their position when originally declining the claim for damage to the shed and main property. I considered this view as part of my provisional decision, and my conclusion was I didn't accept the damage to the shed and main property was also, automatically covered by the same reason for decline as the barn. That's because there wasn't any clear indication of damage prior to the storm. So, the damage to the shed and main property was a direct consequence of the storm and the impact from debris from the barn. Based on this, I concluded QIC didn't act fairly in declining the claim for damage to the shed and barn. As QIC haven't provided any new grounds to those they originally put forward, I haven't changed my view on this issue

### **My final decision**

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

- Assess the damage to the shed and main property as storm damage in line with the remaining terms and conditions of the policy (including any excess under the policy, as appropriate).
- Pay Mr W £150 compensation for distress and inconvenience.

QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell them Mr W 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 W to accept or reject my decision before 27 March 2023.

Paul King  
**Ombudsman**