

The complaint

Mrs R complains about Admiral Insurance (Gibraltar) Limited's (Admiral) cash settlement it offered, following a claim under her home insurance policy.

What happened

After a storm, Mrs R contacted Admiral as her conservatory was damaged by the high winds. It asked Mrs R to obtain a quote, which she did and submitted. The quote was for just over £24,000. And recommended that the conservatory be replaced in full due to the entire structure moving, as a result of the storm and the age of the building.

Admiral sent a surveyor to validate the damage. In his report he recommended that Admiral offer a cash settlement of £271.28 (less £200 excess) to repair the one panel. He said that the conservatory was around 30 years old and there was wear and tear to the roof because of this.

Given the discrepancy between the two reports, Mrs R contacted Admiral and complained. She said that its surveyor who attended her home, was discourteous. Her expert (and the quote) confirmed that the structure had shifted as a result of the storm, and it was leaking internally.

In its final response, Admiral said that as there was wear and tear to the conservatory roof. And the policy exclusion meant that wear and tear wasn't covered, a cash settlement was offered for the one blown off roof panel. Mrs R was given her referral rights and referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. He said that, although Admiral accepted there were storm conditions present, its surveyor's comments were limited to the damage to the roof only. There was no mention in the report as to the structural damage. And despite asking Admiral for further evidence about the wear and tear, and its comments about the structural integrity of the conservatory, no further information was provided. So, he recommended that Admiral provide settlement cover for the frame of the conservatory. And also pay Mrs R £100 compensation for the trouble and upset caused. He didn't recommend that Admiral pay for the door as he felt that it looked undamaged.

Admiral did not reply to our investigator's view. Mrs R said that she had recently obtained a quote for £23,000 to replace the entire conservatory, as she had been advised that it was unrepairable. She couldn't understand why Admiral wouldn't be replacing the conservatory as the damage was due to a storm and not because it was old. She also mentioned that she had been inconvenienced by Admiral due to the time it had taken, chasing for updates and that some of her furniture had been damaged due to the leaks in the conservatory. So, she asked for a 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.

I considered the complaint, and I thought the complaint should be upheld. I issued a provisional decision on 1 March 2023 and asked both parties to send me anything else by 29 March 2023. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I intend to uphold this complaint, and I hope my provisional findings explain why I think this is fair.

The main issue of this complaint is whether Admiral's cash settlement was fair. Also, in issue is whether there was wear and tear on the conservatory, that meant that Admiral was fair to offer the £271.28.

Both parties accept that there was a storm (namely high winds) at the time the damage was caused. Admiral confirmed that it asked Mrs R to get a quote for the repairs and Mrs R obtained a quote from a company who was experienced in the supply, repair, and surveying of conservatories. The report that the contractor wrote recommended the following: 'I strongly recommend that due to storm damage and the age of the existing Conservatory that the entire roof and frame structure is to be replaced in full otherwise it is a false economy and not suitable as the entire structure has moved and needs replacing.'

Once Admiral had been provided with the report, it instructed its surveyor to assess the damage. Its surveyor reported that storm conditions were present, but the damage caused to the roof was due to wear and tear, namely that the conservatory was old, and the roof had reached the end of its life. Because of this, Admiral offered a cash settlement based only on the damage caused to one roof panel, a total of £271.28.

I've reviewed this report and there is no mention or assessment as to the damage caused to the structure of the building. Admiral was asked to provide its comments about this, but none were provided.

It was also asked to specify where in the property, it said there was wear and tear and exactly how this presented. And whether it agreed that the building had shifted as a result of the storm. Again, no further information was provided.

Mrs R said that the conservatory had shifted as a result of the storm (confirmed by her surveyor's report) plus both parties accept that the roof panel had blown off. I have looked at the weather reports and there were hurricane strength winds at the time of the event. So, I'm satisfied that the winds would be strong enough to cause structural damage.

Given that the report from Admiral's surveyor is lacking in detail as to where the wear and tear was seen, and that there were no comments about the structural integrity of the building, I'm persuaded by Mrs R's expert that there was structural damage to the conservatory.

I note that both reports mention the age of the conservatory and Mrs R confirmed that it was around 30 years old, so I think that its age, was a factor. But Mrs R said that she had, over the years updated and replaced various parts of the conservatory. Further, Admiral hasn't provided me with any evidence that refutes, that the structural integrity of the conservatory,

was solely due to wear and tear. In the absence of this evidence, I'm persuaded by Mrs R's expert that the storm was the main cause of the damage to the conservatory. And that the conservatory shifted as a result, which would make it unrepairable.

If Admiral can produce evidence that shows that the entire conservatory had suffered wear and tear and that was the main reason for the damage, then I will consider it. But as it stands, I agree that as the structure had been shifted by the strong winds, the main cause of damage was the storm. And as the structural integrity of the conservatory had been compromised, it should be replaced.

I understand that Mrs R is seeking a higher amount of compensation, than the £100 recommended by our investigator, for the trouble and upset caused. Mrs R described that she had to chase Admiral for updates and that she was waiting for a reasonable offer for around a year. She also said that because of the damage to the conservatory, the room was unusable and the furniture inside became weather damaged.

I must say any claim of this nature, is going to involve a homeowner in some inconvenience. And I know that Mrs R was deeply unimpressed with how Admiral handled her claim. But there is a duty for Mrs R to mitigate her losses. And I think it would've been reasonable for Mrs R to have moved any furniture from the conservatory to prevent weather damage. I can see in the photos that temporary repairs to the missing panel with tarpaulin was used. So, I think this would have helped to prevent further damage.

I've taken all of Mrs R's detailed comments into account in reaching my decision and when assessing the impact. And I think this event caused distress and inconvenience, the impact was more than just minimal and needed a reasonable amount of effort to sort out, so I intend to direct Admiral to pay compensation of £250, which I think is fair and reasonable.

Responses to my provisional decision

Mrs R said that she had the invoice for the conservatory, which she has since replaced. She asked how long the process would now take and thanked our service for dealing with her complaint.

Admiral re-submitted the same photographs of the conservatory and the same report from its expert. It also said that from the photos, it could be seen that there was wear and tear, the fixtures and fittings were old and there was rope holding some of the conservatory together. It felt that wear and tear was an issue and this gradual damage, wasn't covered by the policy. It also re-iterated the policy exclusions.

I have carefully considered all the further comments from both parties. Both parties were asked to provide any further evidence to support their comments.

Admiral hasn't provided me with any further evidence to show that the structural integrity of the building was compromised due to wear and tear and not the storm. As mentioned, it has relied on its expert report and re-submitted the same photos as before. I note that it said the photos showed wear and tear, but I don't agree, and I'll explain why.

Admiral mentioned that the conservatory was being held together with rope. And this was one of the reasons why there was wear and tear. I have further reviewed the photos and the only rope that can be seen is attached to the tarpaulin, which was used to cover the roof panel, that had blown off in the storm.

I have reviewed the report that Admiral submitted, and I make the following observations. The report confirms that there were storm conditions at the time. And that the damage was

consistent with storm damage. It goes on to say that the roof was around 30 years of age. And concludes that the pre incident condition was aged. What is of note, is that there is no mention of wear and tear in the structural integrity or of the conservatory itself. Indeed, the pre incident condition mentions age, which doesn't in my view support wear and tear.

Taking all of these points into consideration and in the absence of any expert evidence that refutes Mrs R's expert, I'm satisfied that the damage to the conservatory was as a result of storm damage and not wear and tear. And I've seen no evidence to dissuade me from my provisional findings.

Putting things right

To put matters right, I direct Admiral as below.

My final decision

I uphold Mrs R's complaint.

Admiral Insurance (Gibraltar) Limited to reimburse the costs of the conservatory, on production of an invoice from Mrs R.

Admiral Insurance (Gibraltar) Limited pay Mrs R £250 compensation for the trouble and upset caused.

Admiral Insurance (Gibraltar) Limited must pay the above amounts within 28 days of the date on which we tell it Mrs R accepts my final decision. If it pays later than this, it must also pay interest at 8% a year simple on the above amounts, from the date Mrs R paid for the repairs to the date of settlement to reflect that she has been deprived of these funds.

Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs R how much it's taken off. It should also give Mrs R a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 28 April 2023.

Ayisha Savage
Ombudsman