

The complaint

Mr and Mrs R complain that their home insurer, QIC Europe Ltd, unfairly declined their claim for storm damage to their home. They want QIC to pay their claim. References to QIC include its agents. I have just referred to Mr R in this decision.

What happened

I set out the background to the complaint within my provisional decision and also here.

‘Mr R said that in February 2022 there were three days of severe storms (Storm Eunice) which caused widespread damage to his local area including old trees uprooted and blocking the main road. He said his home suffered damage as ridge and roof tiles were ripped off and apex cement fixings had to be replaced. He said the storm dislodged the chimney stack and ripped out three panel fences which had been replaced four years ago.

Mr R obtained repair quotes and said that to protect against further damage and claims, he got the work started and wasn't minded to claim. But he said the roof damage was more extensive than was viewable from the ground and more scaffolding had to be erected and he agreed to a quote of £12,000. He claimed to QIC eight days after the storm, and it appointed a loss adjuster to manage his claim. Mr R said it was only after several communications and 22 days that it sent a surveyor out to his home.

Mr R said the surveyor was unprepared and took no measurements and took photos from the ground. He said there was no mention of a temporary roof cover as later suggested by the loss adjuster and he felt they were unconcerned about ongoing damage. Mr R said the surveyor's main concern was the number of days that had been charged for the work, and he assessed the claim at £8,000, to which Mr R disagreed. Mr R said that since his repairs, other roofers had been engaged at neighbours' houses and took 10 man days for their work.

In April 2022 QIC's loss adjuster called Mr R and agreed most items of his claim, but queried the labour costs, and to resolve remaining issues Mr R suggested a settlement of £10,000. However, in response, the loss adjuster said they would not pay his claim at all as their surveyor had made a mistake in offering any payment.

Mr R said his experience of QIC is one of indifference, procrastination and an impersonal approach. He said the loss adjuster's attitude was very unprofessional and deceitful, with no guiding instructions about making a claim. Mr R said that nothing in the letter rejecting his claim accounted for the weather conditions and the damage.

The loss adjuster confirmed to Mr R the claim wouldn't be paid. QIC accepted there had been a storm but said the damage was due to the gradual deterioration of the tiles and chimney mortar, which is excluded by Mr R's policy. They apologised for the field surveyor accepting the claim, and paid £100 compensation. Later, QIC said that as the repairs were carried out before the surveyor's visit, he wasn't able to validate the claim. It said one of Mr R's photos shows a missing ridge tile which shows the mortar in a deteriorated condition.

Mr R disagreed saying the roof mortar hadn't de-bonded, and the surveyor never examined the mortar and the roof part of the mortar had to be replaced. He said his roof was examined six months before the storm when his solar panels were inspected with no obvious signs of de-bonding other than a ridge tile which was replaced. He said the surveyor didn't examine the chimney and could have refused the claim but instead provided a figure for settlement.

Mr R was unhappy with QIC's response and referred his complaint to us. Our investigator didn't recommend the complaint be upheld. She said QIC highlighted areas in photos where the mortar had deteriorated over time and this evidence wasn't outweighed by the previous check on the roof. She said the revised quote Mr R received for the complete removal and re-bedding of all ridge tiles suggests an underlying issue.

The investigator agreed with QIC that there was evidence of gradual deterioration (excluded by the policy) and that the storm highlighted an existing issue. She said although Mr R was told his claim was covered, this was by the broker and QIC was entitled to correct this. He was also told this by the surveyor, and this was later reversed, but the investigator thought the compensation was fair as the impact was low. She said the delay in the surveyor visiting hadn't affected the outcome of the claim, but could've been communicated more quickly.

Mr R obtained a report from a surveyor who he said found his home in good condition with no signs of degradation and no valid reason not to pay his claim. Mr R said the report is far more detailed than QIC's report and only found the normal wear and tear to be expected in a property of its age. He said there's no repairs required immediately other than routine maintenance, including 'chimney mortar deterioration'. And photos show deterioration not to be excessive and similar to other properties in the area of the same age. Mr R said as there are now two reports verifying the repair and detailing the good state of the property, he couldn't see how QIC can refuse to reimburse him for his claim and the cost of the report.

QIC said its loss adjuster's in-house surveyor reviewed Mr R's report and found no new information for review as the inspection was carried out after the repairs. The investigator said the claim turns on our approach to storm damage complaints – whether the storm was the main cause of the damage. She said the report was carried out after the roof had been repaired and so it doesn't evidence the pre-loss condition or contradict QIC's findings.

Mr R disagreed and requested an ombudsman review his complaint.'

My provisional findings and the parties' responses

In my provisional findings I said I intended to uphold the complaint.

I said we ask ourselves three questions about claims for storm damage, for which the answers need to be 'yes' in order for a complaint to be upheld.

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 a storm typically causes?

Were the storm conditions the main cause of the damage?

Storm Eunice occurred at the time of the damage to Mr R's home with winds of 71mph in his area and news reports of extensive damage. There were further storm force winds three days later. The policy defines a storm as having wind speeds in excess of 55mph. This hasn't been disputed by QIC and so I said that the answer to the first question is 'yes'.

Mr R said the ridge and roof tiles were ripped off plus apex cement fixings damaged. I thought that the storm force winds might blow ridge tiles or a chimney over. Similarly, damage such as loose or dislodged roof tiles or gutters is typical of that caused by a storm.

Storm Eunice was described as an '*intense extratropical cyclone*'. Wind speeds of 71mph are described by the Royal Meteorological Society as a '*violent storm*' accompanied by widespread damage. And so I said the answer to the second question is 'yes'.

The third question asks if storm conditions were the main cause of the damage, and this is key to the consideration of Mr R's claim. The purpose is to determine if the damage resulted from the storm, or the storm just highlighted an existing condition of the house, as QIC says.

I said that as the parties disagree about the condition of the property at the time of the storm, we're guided by what the experts say. I also considered the timeline of events to see if QIC responded to the claim appropriately.

Mr R said it took QIC 22 days to send its surveyor, but QIC's records show he didn't claim for eight days and so the delay was two weeks. I thought Mr R decided to pay for the repairs without claiming until he learnt about the scale and cost of the damage, and this delayed his reporting the claim. I thought QIC took a reasonable amount of time to respond to the claim and send a surveyor given the number of claims to be assessed from the storm.

Mr R said his broker advised him to expedite the repairs due to continuing bad weather and that by doing so he prevented further water penetration. But QIC said this prevented its surveyors from checking the damage. QIC pointed out that Mr R's policy states: '*You may carry out any temporary repairs that are necessary to reduce any further loss or damage but do not carry out any permanent repairs without first getting our written permission*'.

QIC's loss adjusters' field and in-house surveyors reviewed the claim and reported on the pre-storm condition of the property. The field surveyor described the property as in a '**good state of repair**' and answered the following questions:

'Cause of Damage/Peril - **Storm**

Cover Under Policy? - **Yes**

Any pre-existing or ongoing external building defects or issues that are not peril related? - **No**

The surveyor decided Mr R's claim would be covered and told him that a fair payment for the repairs would be £8,000. This accords with the estimated reserve in the surveyor's report.

This was followed by a non-inspection review by the loss adjusters' in-house surveyor who said, '*the mortar to the ridge tiles has de-bonded due to the natural breakdown of the materials. In addition, the mortar in the chimney is showing signs of deterioration too. This is evident from the image provided before the works were completed. This is also true of the mortar verge*'. Based on this QIC declined Mr R's claim relying on the policy exclusions for gradual or maintenance-related loss or damage and anything that happens gradually.

Mr R obtained a 'Home Survey' report after the repairs and so the investigator didn't find it persuasive in respect of the pre-loss condition. The report states the chimney stack, below the repairs, unrepaired garage ridge and hip tiles are in '*a relatively serviceable condition*'. And states that the main roof repairs '*are fully in keeping with usual storm damage repair*'.

I concluded that two reports by visiting surveyors state Mr R's roof was in serviceable condition and the damage was storm related, and one from a non-visiting surveyor that it wasn't in good condition and the damage was exposed, but not caused by the storm.

I considered other evidence. Mr R pointed out that his house is less than 35 years old. He said his roof was examined six months before the storm via scaffolding, and found to be in good order. We don't have any evidence of this, though Mr R said a single ridge tile was replaced and so that would indicate some assessment of damage undertaken at the time.

I saw photos of the pre-damage condition of Mr R's roof. QIC said these show missing ridge tiles illustrating that the mortar is in a deteriorated condition. It isn't obvious to me that the photos show mortar deteriorated to the point of de-bonding from the brickwork. I thought the roof looks to have been in the serviceable condition described by two of the surveyors. And post-damage photos of the chimney stack show that some brickwork has blown off, but the stack is in otherwise sound condition.

I said when an insurer rejects a claim for an exclusion clause such as wear and tear, or gradual deterioration it is required to show this applies to the claim. This means QIC has to show the dominant or effective cause of the damage. Although the reports conflict, I didn't think the evidence showed the roof was in a particularly poor state of repair and so I hadn't found that QIC demonstrated it was fair to rely on the exclusion clause. And so I thought its decision to decline the claim was unfair. I took into account the severity of the storm and the nature of the damage in concluding that the answer to the third question is also 'yes'.

Mr R paid about £12,000 for repairs to his home and fence. This was before QIC accepted the claim and had it followed the normal course QIC would have had the opportunity to use its own contractors for the repairs. Insurers can do this for much lower rates than is available to consumers, but QIC was denied this opportunity. The field surveyor questioned the labour costs and number of days required for the work estimated by Mr R's builders and I thought the surveyor's estimate of £8,000 costs, including for broken fence panels, seemed fair.

Mr R's 'Home Survey' report is much more detailed than those provided by QIC's loss adjuster, but was after the repairs and covers many areas of the property unaffected by the storm. And so I thought it fair for QIC to reimburse Mr R for half of the cost of the report, on production of evidence of payment.

QIC paid Mr R £100 compensation for the contradictory assessments of his claim by its loss adjuster's surveyors. I thought this was fair in the circumstances.

Mr R responded to the provisional decision that QIC's acceptance of the claim was based on the £12,000 estimate including £4,000 labour costs which was the element disputed initially. An £8,000 settlement wouldn't have any labour cost element included. He said he made QIC an offer to settle at £10,000, which was based on his paying 50% of the paid labour cost.

Mr R said his survey report was obtained partly at the suggestion of our investigator to gain an independent evaluation of the roof degradation and that the cost would be met by the insurer should the claim be successful. Mr R sent the invoice for the survey costing £1,681.

QIC's loss adjusters responded to the provisional decision on its behalf. They said the surveyors who said the roof was in good condition, hadn't done so before the incident. They referred to the 'Claims procedures and conditions' section of the policy, as above. This tells policyholders not to carry out any permanent repairs without first getting written permission.

The loss adjusters said they could only assess photos from before the repairs. And so a desktop review by their in-house surveying team was the only way to validate the claim and, in their opinion, there is no cover. They referred to an annotated photo of the roof before the repairs and concluded that the mortar holding the ridge tiles in place had significantly deteriorated, and the claim should be declined due to gradual deterioration.

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.

Neither party agreed with my provisional decision on the complaint, and I have reconsidered the issues once again. Having done so I remain of the view that my decision reached a fair and reasonable pathway to the resolution of Mr R's complaint.

Mr R's complaint turns on the answer to the third question that we put to ourselves when considering storm claim complaints, 'Were the storm conditions the main cause of the damage?'

QIC's loss adjusters have only addressed the policy condition about not repairing a property without written permission. I don't think QIC has met its responsibility to demonstrate that an exclusion clause applies to Mr R's claim in a way that defeats the claim.

It's clear from the policy that Mr R should have waited for QIC to authorise the repairs. However, this was the most significant storm event for several years and Mr R waited two weeks for a surveyor to visit. And so I can understand his concern that much more damage could follow the initial storm. He wasn't offered temporary protection when he claimed and felt the need to protect his home.

QIC hasn't commented on the severity of the storm and the likelihood of damage from winds of the force present at the time. Storm Eunice brought widespread damage to properties in the area including newly built homes where there had not been time for gradually operating causes to apply.

It appears that QIC's surveyor who attended and inspected Mr R's property, felt able to decide about the state of the roof before the repairs. Following his inspection, he said the roof was in a good state of repair and there were no pre-existing defects. I don't think Mr R's roof was in perfect condition, but the surveyor decided Mr R's claim would be covered and I think this assessment was reasonable in the circumstances.

Mr R had paid about £12,000 for the repairs to his home and fence. Insurers can achieve much lower rates for repairs than is available to consumers, but QIC was denied this opportunity. The field surveyor questioned the labour costs and number of days required for the work as estimated by Mr R's builders and I remain of the view that his estimate of the cost to QIC of £8,000, including for broken fence panels, is fair.

Mr R's 'Home Survey' report is much more detailed than an assessment of the roof damage and was compiled after the repairs. Nevertheless, I have found it helpful in my assessment of Mr R's complaint and so I think it is reasonable for QIC to reimburse Mr R for half of the cost, £840.50, on his production of evidence of payment.

QIC paid Mr R £100 compensation for the contradictory assessments of his claim by its loss adjuster's surveyors. I remain of the view that this was fair in the circumstances.

My final decision

For the reasons I have given above and in my provisional decision the complaint is upheld in part. I require QIC Europe Ltd to pay Mr and Mrs R £8,000 in respect of the storm damage to their home and garden, less the policy excess. And pay them half of the cost of their surveyor's report, on production of evidence of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 20 June 2023.

Andrew Fraser
Ombudsman