

The complaint

Mr and Mrs W complain that QIC Europe Ltd (“QIC”) unfairly declined their home insurance claim for storm damage.

What happened

The background of this complaint is known in detail to the parties involved, so I’ll summarise what I’ve found to be the key points.

- Mr and Mrs W made a claim under their QIC home insurance policy for storm damage that affected the roofs of their main house, dormer extension, garage and porch as well as causing internal damage at the property.
- QIC sent a surveyor (surveyor A) to inspect the property who concluded the damage was most likely caused by *storm*. The surveyor noted the potential of asbestos in the garage roof that would need to be investigated further and pending the outcome could change the repair scope.
- QIC accepted the claim and offered Mr and Mrs W a cash settlement which less VAT and the applicable policy excess amounted to £3,905.12. It later retracted this offer, citing that a technical desktop review by its in-house surveyor (surveyor B) found that storm wasn’t the main cause of the damage, instead it happened *gradually*.
- QIC said gradual damage is excluded under the policy, so it declined most of what Mr and Mrs W claimed for. It did however agree to cover the porch roof damage, but as the costs to repair this were less than the policy excess it questioned whether this was something Mr and Mrs W wanted to pursue.
- Mr and Mrs W disagreed with QIC’s decision. They say they proceeded with works to repair the damage to the porch, dormer and main house via their own contractors, on the understanding it would be covered under the cash settlement QIC had offered them. They say QIC’s retraction of this leaves them financially disadvantaged and is unfair.
- Mr and Mrs W also argue that QIC gave no indication that the offer was under review or that it would be retracted until it declined the claim several months after the offer was made. And they think the report from surveyor A who visited their property and inspected the damage in person, should hold more weight than Surveyor B, who only looked at photographs to make their decision.
- QIC maintained its position on the claim but offered Mr and Mrs W £300 compensation for the inconvenience its change in decision caused. Mr and Mrs W brought a complaint to this service. They wanted QIC to honour its existing cash settlement offer and to cover the costs for the garage roof repairs.
- Our investigator was more persuaded by the initial surveyor’s report and upheld the complaint in part. She said QIC should pay Mr and Mrs W the cash settlement it had previously offered, plus 8% interest on that figure and £300

compensation.

- But she didn't agree the garage roof should be covered as she concluded this wasn't a direct result of the storm, but rather from tiles that fell from the main roof when it was damaged in the storm – something she said wasn't covered under the policy as it didn't include accidental damage cover.
- QIC disagreed with the investigator's findings. It said the pictures it had provided clearly showed the damage being claimed for was the result of gradual deterioration and wear and tear and so wasn't covered.

The case was passed to me to decide and in April 2023 I issued a provisional decision on it upholding the complaint in part. I've included part of this below:

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

Having done so, I'm minded to uphold this complaint in part and I'll explain why.

- *Mr and Mrs W's QIC policy covers them for damage caused by storm, but like most policies of this nature, certain terms, conditions and exclusions apply. One such exclusion is damage that happens gradually.*
- *It's not in dispute in this case that a storm occurred, and that the damage being claimed for is consistent with damage a storm could cause. What I need to consider, is whether or not storm was most likely the main cause of this damage.*
- *From what I've seen, QIC initially agreed that it was. It appointed surveyor A, who visited the property and inspected the damage being claimed for. Surveyor A made no mention of any gradual deterioration in their report, and instead said the property was in a "fair state of repair" and the proximate cause of the damage was "storm", resulting in QIC making a cash settlement offer.*
- *I understand that several months then went by, during which Mr and Mrs W requested a breakdown and further explanation of the offer – something I've seen they had to chase several times without much success. They then appointed their own contractors to complete most of the repairs (excluding the garage) at a cost amounting to the cash settlement offer and notified QIC of this.*
- *At that point it seems that surveyor B declined the claim after looking at photograph's surveyor A had taken of the damage, and concluding the cause was consistent with gradual deterioration rather than storm and so wasn't covered under the policy.*
- *QIC then retracted the offer for the damage caused to the roofs of the main house and dormer and said it would only cover the damage to the porch as it was satisfied storm was the main cause of this.*
- *QIC also declined to cover the damage to the garage because it happened as a result of falling hip tiles from the main roof. And as QIC was of the opinion that storm wasn't the cause of these falling hip tiles, it said damage caused by this couldn't be considered under the storm section of the policy. And as Mr and Mrs W's policy didn't have accidental damage cover, it couldn't be considered under this peril either.*
- *Essentially QIC is relying on an exclusion to decline the claim. It's not unusual for gradual damage to be excluded under policies of this nature. And QIC is*

entitled to rely on such an exclusion, as long as it can demonstrate that it fairly applies. So I've thought about this carefully.

- To make my decision I review all the evidence and information from both sides and generally place weight on the opinions of the relevant experts. In this case, I have two different expert opinions and it comes down to which one I think is more persuasive in all the circumstances of this case.*
- Both experts were appointed by QIC, but I understand only surveyor A saw the damage in person. And Mr and Mrs W argue that their findings hold more weight as a result. Surveyor B made their decision by reviewing photographs which I understand were taken by surveyor A. And QIC has provided commentary to this service about why it thinks these photographs clearly illustrate gradual damage.*
- I've considered both arguments carefully and I fail to see why, if gradual damage is so evident from these photographs, which are arguably less clear than seeing something in person, that these same findings weren't picked up by surveyor A who visited the property and inspected the same damage that's been photographed. And so far, QIC hasn't provided a reasonable explanation for this. So I'm more persuaded by surveyor A's report which states Mr and Mrs W's property was in a fair state of repair and that storm was the main cause of the damage.*
- It follows on balance of what I've seen so far, I don't think QIC has demonstrated that the exclusion it's relied on in this case fairly applies. So I don't think it's acted fairly by retracting its offer and declining Mr and Mrs W's claim.*
- To put things right, I intend to direct QIC to pay Mr and Mrs W the original cash settlement offer, plus 8% simple interest from the date the offer was made to the date QIC pays it to Mr and Mrs W. Mr and Mrs W have provided invoices to show they paid £3,900 in total for the completed repairs, which is almost the exact amount of the cash settlement offer they were expecting to receive from QIC.*
- In addition, I think the claim for the garage damage should be considered under the storm section of the policy. I say this because, QIC's reason for not doing this was because it didn't think storm was the cause of the falling hip tiles that damaged the garage. I've set out why I'm currently persuaded that it most likely was, so I'm minded to conclude that this damage should be fairly considered under the storm section of Mr and Mrs W's policy.*
- QIC offered Mr and Mrs W £300 compensation for the inconvenience of its change in decision. I think this is fair and so and I intend to direct QIC to pay this to them if it hasn't done so already."*

Both parties were given time to respond to my findings. Mr and Mrs W had no further comment to add, but QIC disagreed, providing comments which are summarised below.

- Surveyor A wasn't physically on the roof but reviewed images of the damage that were acquired by using a pole camera or ground inspection. Both surveyors used the same information to assess the damage, but the reason for their differing opinions is that surveyor B conducted a more thorough and comprehensive survey while being supported by a technically minded team.
- The photo's clearly show the mortar was not in good condition – it doesn't form a straight line, with the deterioration creating voids underneath for the winds to penetrate. The remaining mortar, as a result does not have a strong enough

bond to withstand this and therefore removed from the roof.

- The photos show the dormer roof has rusting around nail holes highlighting the overall condition of the roof.
- The impact damage to the garage roof cannot be considered because the tiles that caused damage to the garage roof have not been validated as being due to storm. Therefore, storm would not apply to the garage roof itself.

I've considered QIC's response in full before making my final decision.

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.

Having done so, my opinion as set out in my provisional decision remains unchanged. I'll explain why.

- Surveyor B only saw the damage Mr and Mrs W claimed for in photos. Regardless of how QIC now say these photos were *obtained*, the fact remains, surveyor A visited the insured property. And from Mr and Mrs W's testimony, also *inspected* damaged areas, such as the mortar on the roof (one of the areas in dispute). So I'm still persuaded surveyor A most likely had a better view of the damage than surveyor B.
- I can see the rust markings QIC refer to in the image of the dormer roof, and I've also seen images of the roof mortar. The images alone don't persuade me that the damage being claimed for was because of a gradually operating cause rather than storm. So, as I previously explained, I place weight on the opinions of the relevant experts. They differ in this case, so I've thought about which is more persuasive.
- I've carefully considered QIC's commentary about the images and what it now says they show. But I can't ignore the fact that surveyor A also reviewed these images *and* saw the roof while visiting the property – even if only from a ground inspection. And they made no comment on a gradually operating cause – something, that on balance, I think they would have done if it was as obvious as QIC now state.
- I understand that when QIC made its initial offer to Mr and Mrs W it was in possession of surveyor A's report and all the images it now seeks to rely on to decline their claim. Therefore, its change in decision doesn't seem to be based on new information for example, but rather a change of opinion that took place quite some time *after* it made an offer and *after* it was aware Mr and Mrs W had gone ahead with repair works based on that offer.
- Mr and Mrs W say this is unfair and without reasonable explanation from QIC as to why this happened, I would agree in this case.
- I'm still not satisfied that QIC has given a reasonable explanation for this change of opinion in its response to my findings. QIC says surveyor B's report was more "*thorough and comprehensive*" but it doesn't reasonably explain why. Simply stating that it was isn't enough to persuade me that's the case. And if QIC didn't think surveyor A's report was of an acceptable standard to validate the claim, I think it's unlikely it would've offered a cash settlement to Mr and Mrs W on the back of this.
- It follows on balance of everything I've seen and taking into consideration what's fair and reasonable in all the circumstances of this case, I'm still not persuaded that QIC has demonstrated the exclusion it relied on to decline Mr and Mrs W's claim fairly applies in this case.

- Therefore my direction on how to put things right as set out in my provisional decision remains the same. This includes reconsidering Mr and Mrs W's claim for the damage to their garage under the storm section of the policy for the reasons already explained in my provisional decision.

My final decision

For the reasons set out above my final decision is that I uphold this complaint in part. QIC Europe Ltd must do the following to put things right.

- Reinstate and pay to Mr and Mrs W the original cash settlement offer of £3,905.12 plus 8%* simple interest on this amount from the date the offer was made to the date QIC Europe Ltd pay it to Mr and Mrs W.
- Reconsider Mr and Mrs W's claim for the damage to their garage under the storm section of the policy.
- Pay Mr and Mrs W its offer of £300 compensation for the inconvenience caused if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 21 June 2023.

* If QIC Europe Ltd considers that it's required by HMRC to take off income tax from the interest, it should tell Mr and Mrs W how much it's taken off. It should also give Mr and Mrs W a certificate showing this if they ask for one, so they can reclaim the tax from HMRC if appropriate.

Rosie Osuji
Ombudsman