

## The complaint

Mrs T has complained about Accredited Insurance (Europe) Ltd's (Accredited Insurance's) decision to partially decline her claim for damage caused to her property by a storm.

Accredited Insurance is responsible for the actions of its agents, including its surveyors and anyone acting on its behalf. So, any reference to Accredited Insurance in this decision is also a reference to its agents.

## What happened

On 8 June 2023, I issued a provisional decision explaining why I was intending to uphold this complaint. This is what I said in my provisional decision:

### What happened

*On 4 November 2022, Mrs T contacted Accredited Insurance to notify them of her claim for damage to the roof of her house caused by a storm, and damage to the inside of the house caused by the resulting ingress of water.*

*Mrs T said that during a storm, with extremely heaving rainfall and wind, part of the flat roof (above the bedroom above her garage) began to come off. She said that as the flat roof started to come off, it lifted tiles from the main roof, leaving large holes and allowing water to come inside the property. Mrs T also said that as the storm continued, the flat roof came away further and the rain caused the ceiling under it to collapse, damaging the contents and interior of the bedroom below. She explained that the flat roof, and half of the main roof, where it had been damaged by the storm, would need to be replaced at a cost of approximately £18,000.*

*Accredited Insurance's field surveyor attended Mrs T's property on 13 November 2022, to inspect the damage. He issued a report to Accredited Insurance which said the property had a slate roof and slate vertical tiles and was in a poor condition. The report explained that the main roof and vertical tiles had been repaired on a number of occasions due to nail fatigue, and the felt roof had de-bonded from the decking boards and peeled off. The main adjoining roof also had substantial damage with a large section of the slates missing. The felt roof had been replaced more than ten years ago, and in the field surveyor's view, was coming to the end of its practical life.*

*Accredited Insurance accepted part of Mrs T's claim, in relation to the internal damage caused to the property, but declined Mrs T's claim for damage to the main roof and felt roof on the basis that the damage wasn't directly caused by the storm, as set out in the field surveyor's report.*

*Mrs T complained about Accredited Insurance's claim decision, so its in-house surveyor considered the report and photographs. He agreed with the field surveyor's conclusion that the main slate roof had pre-existing underlying issues evidenced by the previous repairs and the flat roof had reached the end of its life span.*

On 16 November 2022, Accredited Insurance issued its final response not upholding Mrs T's complaint. It concluded the part of the claim relating to the roof had been fairly declined. Unhappy with their response, Mrs T referred her complaint to this service.

One of our investigators looked into what had happened and issued a view on 20 April 2023, not upholding the complaint. He said the evidence provided by Accredited Insurance persuaded him that the storm wasn't the main cause of damage to the roof, so its decision to decline that part of Mrs T's claim was fair in the circumstances.

Mrs T didn't accept our investigator's view and asked for an ombudsman's decision on her complaint. She accepted the main roof had previously been patch repaired but said that the flat roof had been replaced approximately 12 years ago. On the basis it should last approximately 20-25 years, she believed the felt roof should have been covered.

Mrs T also said that all of the costs to repair the internal damage should be covered. She provided evidence to show that the cost to her of having the internal damage repaired was £2047, not £1546 as offered by Accredited Insurance.

#### What I've provisionally 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, I've come to the same conclusion as our investigator regarding the damage to the roof. But, I've come to a different conclusion in relation to the internal damage Mrs T has claimed for.

Mrs T is unhappy that Accredited Insurance declined her claim for damage to her roof and believes the storm was responsible for the damage caused, not wear and tear as argued by Accredited Insurance. So, I've first considered this claim decision reached by Accredited Insurance to see whether it was made in accordance with the policy terms and conditions and was fair and reasonable in the circumstances.

When our service considers complaints about claims for storm damage, we ask ourselves three questions. Unless the answer to all three questions is yes, it's likely that the claim wouldn't succeed. The three questions we ask are:

- Were there storm conditions on or around the date of the reported damage?
- Is the damage reported consistent with damage typically caused by a storm?
- Were the storm conditions the main cause of the damage?

So, I've next gone on to consider each of these questions in turn.

#### Were there storm conditions?

Accredited Insurance accepts there were storm conditions around the time of the damage occurring.

#### Is the damage consistent with storm damage?

*Accredited Insurance concluded, on the basis of evidence from its field surveyor that the damage to Mrs T's main roof and felt roof was not directly caused by the storm.*

*The field surveyor reported that the roof was in poor condition and there was evidence of previous repairs undertaken to the slate roof. He observed that the felt that had come away from the flat roof was aged and deteriorated and had reached the end of its life. The field surveyor explained that the felt on the roof could only be removed by winds that are able to get underneath the felt in the first place. In order for winds to do that, the bond between the felt and the wooden decking must be in a compromised state.*

*Accredited Insurance's in-house surveyor reviewed the photographs taken by the field surveyor, and agreed with his assessment, concluding that the damage to the main roof and felt roof wasn't consistent with storm damage.*

*In response to the view, Mrs T said that the felt roof was only 12 years old and prior to the storm had never leaked nor shown any signs of deterioration or of being brittle.*

*Where the evidence is incomplete, contradictory, or inconsistent, as it is here, I make my decision based on what I think more likely than not was the case. Having considered all of the available evidence regarding the damage, including the report and photographs from Accredited Insurance's field surveyor and Mrs T's submissions, I'm of the view that the storm wasn't the main cause of damage to the main roof and felt roof. While the storm may have exacerbated the existing damage, I'm not persuaded it was the direct cause of the damage, so, I think Accredited Insurance has fairly declined this part of Mrs T's claim.*

*I've next gone on to consider the way Accredited Insurance has handled Mrs T' claim for internal damage to her property. Accredited Insurance accepted Mrs T's claim for accidental damage and offered her a cash settlement of £1,546.20 (less the excess of £250). At the time its business file had been provided to this service, that offer hadn't been accepted by Mrs T.*

*But Mrs T says that the cost of repairing the internal damage (including obtaining like for like replacements of the carpet and bedding) came to £2,047. Mrs T accepts that the £250 excess needs to be deducted from that sum but says the balance of £1797 ought to be paid to her in settlement of her claim for internal damage to her property.*

*Accredited Insurance has elected to cash settle this part of the claim, rather than carry out the repair works, so the settlement amount needs to be sufficient to allow Mrs T to get the work completed herself. Having carefully considered Mrs T's evidence of the costs she's incurred to repair the damage to the interior of the property, I'm currently of the view that Accredited Insurance hasn't made her reasonable cash settlement offer. To fairly indemnify Mrs T for the cost of repair to the internal damage, I'm currently of the view that Accredited Insurance needs to pay the cost to her, of repairing the internal damage.*

*I'm therefore intending to require Accredited Insurance to pay Mrs T £2047 less the £250 excess, in settlement of her claim. If Accredited Insurance has made any payment to Mrs T, in partial settlement of her claim, then it may deduct that amount from the settlement sum. Given the time Mrs T has been without the funds, I'm also intending to require Accredited Insurance to add interest to the settlement amount it pays to Mrs T at a rate of 8% simple per year from the date she paid the money to the date it makes payment.*

I concluded by saying that Accredited Insurance had acted fairly in declining Mrs T's claim for damage to her roof. So, I wasn't intending to ask it to do anything differently in relation to that part of the claim. However, I didn't think Accredited Insurance had made a fair offer to settle Mrs T's claim for internal damage to her property. So, I was intending to partially uphold this complaint and require Accredited Insurance to pay £2,047 to Mrs T in settlement of her claim for internal damage to her property and contents (less the £250 excess and any payment it has already made to Mrs T to settle this part of her claim) and 8% simple interest from the date of payment to the date of settlement.

I asked both parties to let me have any final arguments or information to consider before issuing my final decision on this complaint.

Mrs T responded to say that she accepted the provisional decision.

Accredited Insurance also responded but said it didn't accept some of the findings in the provisional decision. In summary, Accredited Insurance said it couldn't offer a contractor to reinstate the internal damage as its contractor could not guarantee the work, while the repairs to the roof were outstanding. Accredited Insurance also said it offered the cash settlement to reinstate the internal damage to Mrs T on 16 November 2022. With regard to the carpets and bedding, Accredited Insurance said those would be considered contents under the policy and would not form part of the buildings settlement that it offered. However, it does agree that those items have not been reviewed or offered to Mrs T and observes that those items would make up most of the difference between the amount it offered and the amount I'm stating it needs to pay.

Accredited Insurance has also submitted that the 8% interest should only apply to the contents element of the settlement as that was the only section that hadn't been made available to Mrs T to accept, within two weeks of the incident date. I've taken these further comments into account in making my final decision on Mrs T's complaint.

As both parties have now responded to the provisional decision, I will now proceed to give my final decision on 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 first thought about Accredited Insurance's submission that its contractor couldn't guarantee the internal works if the external repairs hadn't been completed. And while I accept that may be the case, I remain of the view that for Accredited Insurance to settle Mrs T's claim, in a way that will indemnify her, the cash settlement for the repair of the internal damage and the replacement of the contents, needs to be made on the basis of the cost to Mrs T of carrying out those repairs and replacing the contents.

I've also considered Accredited Insurance's comments regarding the payment of 8% interest. However, I note that Accredited Insurance only made an offer to Mrs T, it didn't send her payment. That meant the internal repair works and replacement of contents had to be paid for out of Mrs T's own funds. I therefore think it appropriate for Accredited Insurance to pay Mrs T 8% interest from the date she paid for the internal damage to be repaired, and replaced the damaged contents, to the date it pays her the amounts awarded in this decision.

For these reasons, I remain of the view that Mrs T's complaint should be upheld in part and I require Accredited Insurance to make the payments detailed below.

## **Putting things right**

For the reasons given in this final decision, and my provisional decision, I'm partially upholding Mrs T's complaint on the basis that Accredited Insurance hasn't made a fair offer to settle her claim for the repairs to the internal damage to her property and contents.

I therefore require Accredited Insurance (Europe) Ltd to pay Mrs T:

- £2047 in settlement of her claim for internal damage to her property and replacement of the affected contents (less the £250 excess and any payment it has already made to Mrs T to settle this part of her claim); and
- Interest on the sum above, at the simple yearly rate of 8%, from the date of payment to the date of settlement. (If Accredited Insurance thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Mrs T how much it has taken off and provide a tax deduction certificate if required).

## **My final decision**

My final decision is that I uphold this complaint and require Accredited Insurance (Europe) Ltd to pay the awards detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 12 July 2023.

Carolyn Harwood  
**Ombudsman**