

## **The complaint**

Mr F and Miss B complain about the decision by Great Lakes Insurance SE to decline their home insurance claim.

Great Lakes are the underwriters (insurers) of this policy. Some of this complaint concerns the actions and opinions of their appointed agents. As Great Lakes accept they are accountable for the actions of their agents, in my decision, any reference to Great Lakes should be interpreted as also covering the actions of their appointed agents.

## **What happened**

The background to this complaint is well known to Mr F, Miss B and Great Lakes. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr F and Miss B had a home insurance policy with Great Lakes. In August 2022, they made a claim for flood damage to their basement area following heavy rain. Great Lakes declined the claim.

Mr F and Miss B complained to Great Lakes. In their final response letter dated 16 May 2023, Great Lakes didn't uphold the complaint. In summary, they said that they had concerns about possible building defects. A surveyor's report on behalf of Great Lakes concluded that the building works hadn't been completed in accordance with best practice. They maintained the claim decline under the poor workmanship/installation exclusion, but offered a 50% contribution towards flooring costs following the outcome of a separate complaint with our Service.

As Mr F and Miss B remained unhappy, they referred this complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that the complaint be upheld. Mr F and Miss B didn't accept and the complaint has been referred to me for a 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

### *The scope of my decision*

It's important that both parties understand it's not the role of our Service to determine what has led to the claim event here. Instead, my role as the deciding Ombudsman is to decide if, on balance, I'm satisfied that Great Lakes have fairly investigated and considered this claim before declining it in line with the policy terms.

My decision will only consider the remaining elements that remain disputed following the complaint that was referred to our Service after a final response letter dated 16 May 2023. I make this point as in an email from Mr F dated 6 July 2023, he said:

*“On the lack of payment for the trace and access costs - I'm prepared to accept this,” and*

*“I've accepted the findings related to the Office damage being due to incorrect tanking but on the flooding damage to the Cinema Room, there were two areas of water ingress: one coming from the Office door, which I accept was caused by the tanking failure in the Office, but the second point of ingress was unrelated..... I dispute that this second water ingress point was caused by the tanking and should therefore be covered under my original claim.”; and*

*“On the lack of payment for the replacement flooring I do not accept that 50% of the cost is at all reasonable.”*

I consider the trace and access costs point has fallen away - so I won't consider it. I also won't comment on the damage to the office room which Mr F has conceded possibly was caused by issues not covered by the policy.

Given the time this complaint has been ongoing and because no objection has been received from Great Lakes, for completeness, I've considered the outstanding 50% of flooring costs remaining. I make this point as it could be argued that a previous complaint with our Service already dealt with the 50% contribution.

#### *The declined claim for damage to the Cinema room*

Mr F and Miss B have said there were two areas of water ingress. One caused by tanking issues in the office room and a second, unrelated ingress point.

I've considered the key evidence from both parties in this dispute, particularly the expert reports provided. I also thank Mr F for providing a floor plan which clearly sets out the two points of water ingress.

On balance I find that Great Lakes have fairly declined this part of the claim for the following main reasons:

- The damage being claimed for in two separate parts of the property occurred roughly at the same time. In my opinion, this naturally raises the possibility that there may well have been a link between the two areas of water damage. For example, an inherent weakness in the cinema room has been exasperated by the building/design flaw of the office/gym room. I've considered the likely alternative explanations, but I'm not persuaded that they sufficiently undermine the position taken by Great Lakes here.
- The various reports provided by the business present a logical explanation as to how the damage likely occurred and I find the business can fairly rely on these to decline this part of the claim. I've not commented on the initial drying report, but it also doesn't undermine the decision to decline this claim.
- The report provided by Mr F doesn't undermine the findings of the other two reports provided by the business. It supports that the cinema room would require modification works to mitigate against potential future damage.

- On balance, based on the evidence provided I'm satisfied that Great Lakes position (the building works carried out in the nearby part of the property have contributed to the damage experienced in the cinema room) is a fair and reasonable position.

Therefore, although disappointing for Mr F and Miss B, I find that Great Lakes have fairly investigated and considered the claim before declining it.

It follows that I don't make any further direction in relation to the remaining 50% contribution towards the flooring. Ultimately, it seems that part of the flooring was going to need to be taken up to determine the cause of the water damage and to allow a repair.

I acknowledge that Mr F says the contractors acting on behalf of the insurer caused damage, but as the main part of the claim was later declined, I don't find that Great lakes should be held liable for the remaining 50% of flooring costs. In his email to our Service, Mr F has suggested we're setting a precedent by siding with the insurer on this point. My decision is not a precedent, it's what I consider to be a fair and reasonable outcome based on the specifics of this complaint.

My decision will disappoint Mr F and Miss B, but it brings to an end our Service's involvement in trying to informally resolve this dispute.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss B to accept or reject my decision before 11 March 2024.

Daniel O'Shea  
**Ombudsman**