

The complaint

The trustees of a charity I will refer to as S complain about the decision of Ecclesiastical Insurance Office Plc in relation to their property insurance claim and about the comments made in declining the claim.

What happened

The following is intended only as a brief summary of events. Additionally, for the sake of simplicity, I have largely just referred to S and Ecclesiastical even though a number of individuals have been involved in correspondence.

S operates as a church and held a Parish Plus insurance policy underwritten by Ecclesiastical. In May 2023, part of the ceiling in the church fell down. S arranged for an inspection by its architect and notified Ecclesiastical. The architect's report said, in part, that:

"The ceiling has a significant number and variety of cracks, crazing and holes... There are a variety of patches of damage near the apex including the area where plaster recently fell. The plaster fall area had more deterioration of the laths with quite a few being damaged or possibly rotten in places. These apex issues could have been related to previous water ingress"

Ecclesiastical arranged for a loss adjuster to visit the church and make his own assessment. The loss adjuster was provided with copies of previous inspection reports. And produced his own report. This report is dated before a copy of the architect's report was passed on by S.

Following this, Ecclesiastical advised the loss adjuster to decline the claim, which he did in a letter saying:

"The facts are, that for some years, construction professionals had made church members aware of frail nature of the church as a whole, but in particular, the condition of the alabaster ceiling of the chancel. The collapse discovered by the church warden on 27 May 2023 was an inevitable result of failure to act on the advice given many years earlier."

S was unhappy with the decision to decline the claim and with the comments above. S said that previous reports, and subsequent repair work in and around 2017, had focussed on the roof and ensuring that this was watertight. S said that the ceiling was not the issue at that time, and that appropriate action had been taken in response to the earlier reports.

Ecclesiastical apologised for any upset caused by the comments in the letter of decline. And explained that the loss adjuster's comments was an attempt to highlight the cause of the damage and to explain why this was not covered under the policy. It said:

"The cause of the fallen plaster has been attributed to historic / long term water ingress through the roof which has eventually affected the structural integrity of the lathe and plaster ceiling. As we are concerned with a gradually operating cause [the relevant policy exclusion] will apply."

S ultimately brought its complaint to the Ombudsman Service. However, our Investigator did not recommend that the complaint should be upheld. He thought that Ecclesiastical's decision on the claim was in line with the evidence and policy terms. And that as a result the costs of repair, the cost of the architect's report, and the loss of income S had suffered were not something Ecclesiastical could fairly and reasonably be expected to cover. He also considered that Ecclesiastical's apology for the loss adjuster's comments was an appropriate resolution to this part of the complaint.

S remained unsatisfied, referring to the roof repair work being a major contributory cause of the ceiling damage. S also felt that an apology from Ecclesiastical's senior management and deletion of the loss adjuster's report/comments from record was appropriate. As our Investigator was unable to resolve the complaint, it has been passed to me for a 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, I am not upholding this complaint. I'll explain why.

As I've said, the summary above is intentionally brief and is not intended to be an exhaustive description of the events or of S's complaint points. I would like to reassure S that I have considered all of the submissions both parties have provided, and have also noted the complaint points that have been made. However, I have approached the complaint holistically and will focus on what I consider to be the key issues. This is in line with the Ombudsman Service's informal nature.

I consider the key issues to be whether the claim (and any associated costs) should be met, and whether the comments of the loss adjuster have been appropriately dealt with.

In terms of the claim, both parties are aware of the policy terms and conditions, so I have not repeated them here. It is enough to say that the policy provides cover in the event of an insured event, and this includes damage caused by, for example, a storm or 'accidental damage'.

The accidental damage section of the policy contains a number of exclusions of the type found in most policies of this nature. These include exclusions on claims relating to damage caused by wear and tear, or gradually operating causes.

Ecclesiastical has explained that it has declined the claim because the ceiling gradually deteriorated – potentially following water ingress through the roof – prior to its repair. So, it considers the exclusions apply to the claim.

Taking into account the comments in both the architect's and the loss adjuster's reports, I consider this is a reasonable conclusion. That parts of the ceiling had been cracked for some time does not appear to be disputed and is recorded in previous reports. The architect has referred to rotten laths and deterioration. And this supports the report from the loss adjuster that there is wear and tear.

I do note S's comments (and reference to further comments of the architect) that the previous repair works may have amplified the damage to the ceiling. I agree that this is quite possible. But I am not persuaded that this means the claim should be met. Potentially, this work worsened the situation, but I consider that the damage to the ceiling was most likely the result of gradual deterioration.

I need to take into account the fact that this repair work happened some time ago and that the part of the ceiling subject to the claim did not fall at that time. That repairs to the ceiling in the church were needed was something that was known about some years prior to the current claim. And I consider it likely that the condition of the ceiling gradually deteriorated to the stage where part of it fell resulting in the current claim.

Ultimately, I am not persuaded that Ecclesiastical's decision on the claim was inappropriate. And it follows that I am unable to fairly and reasonably require it to do any more.

This applies both to the claims for property damage and for loss of income, both of which require an insured and unexcluded event to have taken place. And also for the costs Ecclesiastical incurred with the architect's inspection. I appreciate that the report from this inspection has assisted Ecclesiastical in making its decision on the claim, though I note the loss adjuster reached his conclusions prior to this report being provided. But this does not mean Ecclesiastical should cover the costs of this report. The inspection was required as a result of damage that is not covered by the policy, so Ecclesiastical is not liable for any costs associated with this.

I note S is unhappy with the comments of the loss adjuster in the letter declining the claim. Ecclesiastical has accepted that these have caused upset and apologised for this. I appreciate S wants a more senior apology, but I am satisfied that the apology provided is reasonable in the circumstances. The report and letter form part of Ecclesiastical's claim file and I am unable to ask for these to be deleted in the circumstances.

I appreciate that this is not the outcome S was hoping for. And I am sympathetic to the situation S finds itself in. But I am unable to fairly and reasonably uphold this complaint or ask Ecclesiastical to do any more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 1 March 2024.

Sam Thomas
Ombudsman