

The complaint

Mr S has complained that Accelerant Insurance UK Limited declined a claim he made under his workmanship warranty.

Reference to Accelerant includes its agents and representatives.

What happened

As the circumstances of this complaint aren't in dispute, I'll summarise what's happened.

- Mr S paid for a contractor, G, to install solar panels. G provided Mr S with a guarantee for its workmanship. It also arranged for Mr S to have a warranty, underwritten by Accelerant, to fulfil the guarantee should G cease trading.
- After noticing a problem with the solar panels and roof, Mr S got in touch with Accelerant and made a claim on the warranty.
- Accelerant accepted the claim for damage to the solar panels was covered. However, it said damage to the roof wasn't covered because the warranty only covered the solar panels.
- Mr S paid around £10,000 for the roof to be repaired so that Accelerant could reinstate the solar panels. He said the damage to the roof was caused by G during the installation, so it should be covered by the warranty.
- Accelerant accepted that G had caused the roof damage whilst installing the solar panels, but it nonetheless maintained it wasn't covered by the policy.
- Our investigator thought the complaint should be upheld. She said the warranty covered the installation of the solar panels – and as the roof had been damaged during the installation, it was covered by the warranty. She said Accelerant should pay for the roof damage, up to the policy limit and taking into account any payments already made under the claim, plus interest.
- Mr S agreed with this. Accelerant didn't. In summary, it made two key points:
 - The purpose of the warranty is effectively to step into the shoes of a contractor that has ceased trading and fulfil its workmanship guarantee. That's not the same as fulfilling any liabilities the contractor may have had to the policyholder – the cover provided by the warranty is limited to the workmanship guarantee only.
 - The warranty doesn't cover all the work carried out by the contractor or any parts of the property that weren't installed by the contractor – it only covers the solar panels installed by the contractor.

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.

- It's not in dispute that the damage to the solar panels was covered by the warranty. Accelerant has dealt with that, so this point doesn't need further consideration.
- Mr S has paid for the roof to be repaired, to facilitate the reinstatement of the solar panels. He'd like Accelerant to reimburse the cost of that work.
- It's accepted by all parties that the roof was damaged by G whilst installing the solar panels. In a nutshell, Accelerant has declined this part of the claim because it doesn't consider the warranty covers the roof – it says it covers the solar panels only.
- Accelerant made two key points in response to our investigator's view. Firstly, it says the purpose of the warranty is to fulfil the workmanship guarantee provided by G, which sets out the extent to which it would remedy any workmanship problems within the installation. And secondly, it says the cover is limited to the insured works as set out in the warranty – not all work carried out by G. So I'll consider the terms of the warranty and the information provided by G to Mr S.
- In summary, the relevant part of the warranty says it covers the cost of putting right damage covered by G's guarantee if it was part of the 'insured works'. And it says: "insured works: solar photovoltaic".
- Accelerant has pointed to two exclusions within the warranty it thinks are relevant:
 - Any loss, damage or costs incurred that do not relate specifically to the physical rectification of the 'insured works'.
 - Any loss or damage to the policyholder's property caused by [G] which do not form part of the 'insured works'.
- In the context of this particular case, I think all of the terms noted above lead to the same question – is the insured work restricted to the solar panels only, or does it include the wider installation of the solar panels? If it's the former, Accelerant can fairly decline the roof damage part of the claim. If it's the latter, it can't.
- The information Mr S has provided from G shows he paid for "complete solar photovoltaic installation". The terms and conditions contain a section called 'installation' in which key information about the installation of the solar panels is provided. And a section called 'warranty' that says the workmanship will be covered by this warranty and "all relevant installation warranty details will be provided".
- This all suggests to me that the work G carried out – and which the warranty is based on – is the installation of the solar panels. I think that reasonably includes any work G undertook to carry out the installation – such as to fix the panels to the roof, including the work to the roof itself. That's the work G carried out and which the warranty is for.
- In my view, Accelerant has interpreted the policy unfairly narrowly. It's effectively treating it as a warranty for the solar panels alone, rather than the work it took to install them. As Accelerant itself has pointed out, the purpose of the warranty is to fulfil G's workmanship guarantee – and that includes the installation of the solar panels, not merely the solar panels themselves.

- Had G not caused the damage directly in the process of installation, I may have agreed with Accelerant that it was outside the 'insured work' and/or was caught by one of the exclusions noted. But here Accelerant's own agent has been clear that "the full roof has been ruined by the solar installation". So there's no doubt the damage was caused as a direct result of installing the solar panels – which is the work Mr S paid G for and which the warranty is intended to cover.
- Because of this, I'm satisfied Accelerant should accept the claim for the roof damage and settle it in line with the remaining terms and conditions. That will mean making a cash payment, as Mr S has already carried out the work.
- When Accelerant settles the claim, it's entitled to take into account the policy limit of £7,500, excess of £50 and previous payments it's made for the claim.
- To the claim settlement payment, Accelerant should add interest as Mr S has unfairly been without the money for a significant period of time.

My final decision

I uphold this complaint.

I require Accelerant Insurance UK Limited to:

- Settle the claim by cash payment in line with the remaining terms and conditions.
- To that payment, add interest at 8% simple per year, from the date Mr S paid for the work, to the date of settlement*.

*If Accelerant considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 March 2024.

James Neville
Ombudsman