

## **The complaint**

Mr and Mrs F complain that Admiral Insurance (Gibraltar) Limited hasn't fully settled a claim they made under their home insurance policy.

Mr and Mrs F are represented in this complaint by Mrs S.

Admiral is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Admiral has accepted it is accountable for the actions of the agents, in my decision, any reference to Admiral includes the actions of the agents.

## **What happened**

In early 2023, Mr and Mrs F made a claim under their home insurance policy with Admiral after discovering a leak from a radiator which had caused damage to their home.

Admiral arranged for drying works and repairs to be carried out by its approved contractors. However, Admiral later informed Mrs S that there was a damp problem on the walls of the lounge which meant that repairs couldn't proceed in that area.

Mrs S raised a complaint on behalf of Mr and Mrs F. She said Admiral's loss adjusters were claiming that the wall wasn't affected by the escape of water incident which was untrue. She'd asked for evidence of this via a report, but her request was refused.

Mrs S said payment for the damaged flooring and carpet hadn't been made. She also raised concerns about the attitude of Admiral's loss adjuster, delays on the claim, poor communication and the state Mr and Mrs F's home was left in by the contractors.

Admiral said it was sorry Mrs S hadn't been given a report. It said the issue with the wall was only discovered when decorators had attended and had been unable to paper it. It said its contractors would be reattending a few days later and this would be reviewed by Admiral's in-house surveyors.

Admiral apologised for delays and poor service and paid Mr and Mrs F £200 for distress and inconvenience.

Mrs S wasn't satisfied with Admiral's response and asked our service to consider the matter.

Our investigator didn't think Mr and Mrs F's complaint should be upheld. He thought Admiral's decision not to proceed with repairs or redecoration of the wall was fair. This was because there was evidence to show a pre-existing damp issue, that wasn't related to the claim. And this needed to be remedied before redecorating could take place.

Mr and Mrs F disagreed with our investigator's outcome. Mrs S said that when Admiral's contractors did a second assessment, they said the wall was dry and ready to decorate. She questioned why the wet wall wasn't picked up on the first assessment, when they were told the ceilings and walls were wet with water damage.

Mrs S also commented that there had never been any problem with damp in the house previously. The issue with the wall only came to light when the decorator reported it. Then all work stopped and Mr and Mrs F, who are vulnerable, were left fending for themselves. She questioned why Admiral would offer a renewal of the policy if the house was in such bad condition.

As Mr and Mrs F disagree with our investigator's outcome, the complaint has been passed to me to decide.

### **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've decided not to uphold Mr and Mrs F's complaint. I'll explain why.

The loss adjuster's report from February 2023 describes the damage to Mr and Mrs F's building as follows:

*"Water has escaped from the radiator in the rear bedroom causing water damage to the laminate flooring. Water then travelled vertically into the lounge / diner staining the ceiling and border wall paper [sic]. The ceiling light will need refitted [sic]."*

Mrs S has told us that most of the damage to the building has been repaired and Mr and Mrs F have also received a settlement for damaged contents. The only outstanding issue is the wall in the lounge. Mrs S has provided photographs which show that the wall has been left bare, with plaster coming off in places.

Admiral says it wasn't able to complete the decorations to the wall because the damage isn't related to the escape of water incident.

The policy's terms and conditions say Admiral will not be liable for *"any loss or damage caused by anything that happens gradually, including wear and tear, wet and dry rot, or damage due to exposure to sunlight or atmospheric conditions, settlement, mildew, rust or corrosion."*

Admiral has provided a report from its contractors which says that modernisation of the property with the removal of the open fire, installation of upvc windows and a modern combi boiler has resulted in rising humidity inside the property. It says trapped moisture from cooking, showering etc causes condensation problems where moist air comes into contact with uninsulated external walls. This can result in mould, cold damp walls and crumbling plaster. It says this may be exacerbated by external rendered walls which appear to be covered in non-breathable paint.

The report also refers to timbers being fastened to the wall and covered in plasterboard which is damp and falling apart in areas. It says the crumbling and disintegration of the surface plaster is consistent with long term issues.

Mrs S says there was never any problem with damp prior to the escape of water incident. The report from Admiral's contractors suggests the plasterboard was a previous attempt to rectify condensation / damp problems and this had since failed. It was previously concealed due to the decoration and the problem only became apparent after the walls were stripped in preparation for redecoration. So, this might explain why Mr and Mrs F weren't aware there was an issue with damp in the property before.

Mrs S has told us that Mr and Mrs F are both vulnerable due to issues with their health. I appreciate this situation has been very upsetting for them and I empathise. But I haven't seen any expert evidence to contradict what Admiral's contractors have said about the underlying damp issue. The contractors have also said that the uninsured damage to the wall means that any redecoration won't be accepted. The underlying damp issue would need to be resolved before replastering and decoration could take place. So, I don't think it was unreasonable for Admiral to have decided not to continue with the decoration of the wall.

Mrs S has questioned why Admiral would be willing to renew Mr and Mrs F's policy knowing there was a damp issue. As I've explained, there is a policy exclusion for damage with a gradual cause. So, I don't think this issue would prevent Admiral from providing cover for loss or damage that might be caused by other perils in the future.

Admiral has acknowledged poor communication and delays in dealing with the claim. I understand it's paid Mr and Mrs F £200 for this. And I think this reasonably recognises the impact of Admiral's service failings on them. So, while I appreciate my answer will be disappointing for them, I don't require it to do anything further.

### **My final decision**

For the reasons I've explained, I don't uphold Mr and Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 29 March 2024.

Anne Muscroft  
**Ombudsman**