

The complaint

Mrs R and Mr R complain about Admiral Insurance (Gibraltar) Limited's ("Admiral") decision to decline their claim under their home insurance policy.

Mrs R has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs R or Mr R as "Mrs R" throughout the decision.

What happened

Mrs R says, following a period of heavy rainfall, she noticed water coming through the ceiling. Mrs R reported this to Admiral, firstly under the home emergency section of her policy. Mrs R says she explained the matter was urgent given both her and Mr R's personal circumstances, but a contractor was only able to attend four days later – and after a cancelled appointment. Mrs R says Admiral's contractor carried out temporary repairs and she then arranged for the roof to be repaired and also made a claim to Admiral, this time under the home insurance section of her policy, for storm damage. Admiral declined the claim on the basis the damage to the roof wasn't consistent with storm damage and was as a result of an installation/construction defect. They also declined the claim for any internal damage under the accidental damage section of the policy. So Mrs R complained.

Admiral responded and explained they understand Mrs R is unhappy that the surveyor said the damage wasn't storm related and that Admiral's Home Emergency team didn't keep to their word of coming out on a specified day. They referred to the policy terms and conditions and said this defines a storm, and in Mrs R's claim, the weather conditions didn't match this definition or criteria. In relation to the home emergency issue, Admiral said this complaint was handled by a separate department and they'd offered £50 compensation for the appointment being changed.

Admiral then, in their response to our service, confirmed an incorrect decision had been made when responding to the complaint. While they maintained their position to decline the claim for any external damage, they agreed to discuss a cash settlement for the internal damage under the accidental damage section of the policy. Admiral also offered £100 compensation for the trouble and upset caused by their partially incorrect decision. Mrs R declined the offer and asked our service to consider her complaint.

Our investigator looked into things for Mrs R and Mr R. He thought Admiral hadn't acted unfairly in declining the claim for the external damage Mrs R says was caused by storm conditions.

He said it was fair for Admiral to discuss a cash settlement with Mrs R for the internal damage. He recommended Admiral also consider any evidence Mrs R provides showing any increase in her utility bills for drying out her house and also add 8% simple interest to any payment made for this. And he also recommended they increase the compensation to £800. Mrs R and Mr R agreed but Admiral disagreed so the matter has come 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've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. I can't see there's any dispute between the parties around Admiral's agreement to discuss a cash settlement with Mrs R for the internal damage – I think that's fair in the circumstances, so I won't comment on this part further.

External damage

My starting point is Mrs R's home insurance policy booklet. This sets out the terms and conditions and includes cover for a storm event. It defines a storm as "*Wind with gusts of at least 48 knots (55mph), heavy rainfall at a rate of at least 25mm per hour...However, damage caused to homes that have not been well-maintained, or caused by normal weather or wear and tear, is not covered.*" So, I'm satisfied that Admiral should've looked into Mrs R's claim because she reported the damage was caused by a storm. I've then looked at whether Admiral's decision to decline the claim, and their reason for doing so, is fair and reasonable.

In order for us to consider whether the damage was caused by a storm, we ask three questions:

- Did storm conditions occur on or around the date the damage was said to have happened?
- Is the damage claimed for consistent with damage a storm typically causes?
- Were the storm conditions the main cause for the damage?

If the answer is 'yes' to all three questions, we're likely to uphold the complaint. But if the answer to one of the questions is 'no' we're unlikely to conclude that the claim should be met due to storm conditions.

In weighing up the first question, I note Mrs R reported the damage to Admiral on 19 October 2023. I've checked the weather report for the few days leading up to the date Mrs R discovered the damage, and this shows the highest winds to have been 36mph – and this was on the day Mrs R noticed the damage and reported it to Admiral. While this doesn't strictly meet the policy's definition of a storm for wind, I'm still persuaded this satisfies the test set out under the first question above.

I say this because the weather report shows the rainfall recorded for the whole day does amount to what I would consider to be storm conditions. I'm further persuaded it's fair in the circumstances to treat this event as a storm condition because Mrs R lives in an area which experienced a named storm around the time Mrs R says the damage occurred.

Turning now to the second question – I'm not persuaded the damage caused to the roof is consistent with damage heavy rainfall typically causes. At the point a surveyor attended Mrs R's home to inspect the damage, repairs had already been carried out to the roof by a contractor appointed by Mrs R, so it was agreed Admiral would consider any photos showing the roof prior to the damage as well as the contractor's invoice. The invoice says, "*On inspection of the property due to water coming into the property, broken tile has been changed lead work has been fitted back down where necessary and sealed on the dormer*

roof and split in the lead has been repaired." I'm not persuaded a cracked tile or issues with the lead flashing are consistent with damage heavy rainfall typically causes – so the answer to the second question is 'no'. And, on this basis, I can't say Admiral have acted unfairly in declining Mrs R's claim for the damage to her roof.

Home emergency issues and internal damage

Admiral accept they got things wrong when arranging an appointment for a contractor to go out after Mrs R discovered water entering her home. I can see they offered £50 compensation for the impact of the cancelled appointment. I've considered this further, but I don't believe the compensation goes far enough to fully reflect the impact on Mrs R and Mr R. So, I've considered all the information to decide what I think is fair in the circumstances.

I've listened to the recording for calls Mrs R made to Admiral. During the initial call, which was made under the home emergency section of her policy, Mrs R reported that water had entered her home. She explained all electrics on the second floor had gone out and both she and Mr R had recently been discharged from hospital following a road traffic accident. Claim notes provided by Admiral say they were trying to get Mrs R an appointment the same day and refer to this as "*very exceptional circumstances*". During a call with Admiral, a call handler explained the system was showing an all-day appointment for that day, but then having checked they then explained this was an error and the appointment was arranged for the next day. The claim notes support this as they say they did have an appointment arranged for the same day but then cancelled this due to them sending the appointment a day earlier than it should have been.

During this call, Mrs R explained she was bed bound and is very worried about the ceiling collapsing. She explained Mr R wouldn't be able to assist her as he also suffered significant injuries as a result of the accident. The call handler explained it should be a same day service, but they don't have any contractors available until the next day. The call handler queried whether Mrs R is able to arrange her own contractor and she explained this isn't possible given both her and Mr R's situation. An appointment was then arranged for the following day, but this was then cancelled, and a further appointment made for three days later. The claim notes show that a temporary repair was then carried out during that appointment – which was four days after Mrs R reported the issue.

I can see that Admiral did contact their contractors to see if an earlier appointment could be scheduled, but they were unsuccessful. It's clear from the phone calls, Mrs R had confirmed both she and Mr R had suffered significant injuries as a result of the road traffic accident and were both immobile. It's also clear from the phone calls the matter was very urgent as, due to their injuries, Mrs R or Mr R couldn't do anything themselves about the water entering their home. Mrs R was very worried about the ceiling collapsing and mentioned this a number of times during her calls with Admiral. An appointment couldn't be made the same day, despite the call handler on one of the calls mentioning it should be a same day service.

So while I think there was worry and upset caused to Mrs R and Mr R by not getting an appointment the same day, I think it's the cancellation the next day which caused substantial worry and upset to Mrs R and Mr R.

It's clear they were very worried about the risk of the ceiling above Mrs R collapsing, and this cancellation meant they were left with that worry for a further three days. I acknowledge this was a short duration, but I have to consider the circumstances here. Mrs R was bed bound, with Mr R not being able to assist her if the ceiling were to collapse. Mrs R says, during the three days between the cancelled appointment and Admiral's contractor carrying out the temporary repair, a lot of water had entered Mrs R's home and onto her bed – from which

she couldn't move. Mrs R says this was extremely uncomfortable for her. So, I think the compensation here should take into account the substantial impact on both Mrs R and Mr R.

Admiral accept they made an error in originally declining the claim for the internal damage. While they've taken a step towards putting this right by agreeing to discuss a cash settlement for this damage, I don't think their offer of £100 compensation goes far enough to address the impact on Mrs R and Mr R in having this part of their claim declined originally. Mrs R explained, given Admiral declined to deal with the internal damage, she and Mr R had to do what they could themselves but found this very difficult financially because of the costs they incurred in repairing the external damage. And while the costs for repairing the external damage wasn't the responsibility of Admiral, the costs for the internal damage was – and this remained unresolved for longer than it should've. Given that Mrs R had to take steps to dry out her home, I think it's reasonable in the circumstances for Admiral to reimburse Mrs R any increase in utility bills she incurred as a result of the drying out. And, if Mrs R is able to evidence this increase, Admiral should add 8% simple interest to any amount they pay Mrs R and Mr R.

So, taking into account the full impact on Mrs R and Mr R, I think Admiral should increase their offer of compensation from £150, to £800. I think this fairly reflects the substantial impact on Mrs R and Mr R caused by the delay in a contractor attending Mrs R's home under the home emergency section of the policy and for the claim for the internal damage being declined originally.

Putting things right

I've taken the view that Admiral have made errors here. So, as already agreed by Admiral, they should discuss a cash settlement with Mrs R and Mr R for the internal damage. If Mrs R is able to evidence any increase in her utility bills as a result of having to dry out her home, Admiral should consider this and reimburse any increase together with 8% simple interest per year from the date she paid the utility bill to the date they make payment. Admiral have offered £150 compensation – which I don't think is fair. So they should increase this offer by £650 and pay total compensation of £800 for the substantial worry and upset caused to Mrs R and Mr R.

My final decision

My final decision is that I uphold the complaint. Admiral Insurance (Gibraltar) Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 21 July 2024.

Paviter Dhaddy
Ombudsman