

## **The complaint**

Ms Y complains that Zurich Insurance PLC has made an unfair claim decision when considering a claim made on the property's buildings insurance.

## **What happened**

Ms Y believes damage which has been identified in a rental property she owns should be covered under the property owner's policy provided by Zurich. Cracks appeared across a wall of the property and she feels this was the result of an impact on the other side of the wall from a neighbouring property.

Zurich has declined to cover the damage as it feels this is the result of a long-term failure of the chemical composition between the plaster and blockwork. It feels this should be considered as gradual damage and is something which is excluded under the policy.

Ms Y didn't think Zurich was acting fairly in declining to cover the damage and feels the main cause of the damage can only be from an impact. So even if there is an underlying inherent issue with the plaster's chemical composition, this does not take away from the cause of the damage.

Our investigator looked at this complaint and didn't think Zurich had made an unfair claim decision. They felt the surveyor reports provided supported that Zurich had acted reasonably when saying the damage was excluded. They felt the reports, including the report supplied by Ms Y, showed this was the result of gradual deterioration and an inherent defect with the wall and plaster. And this was the proximate cause of the damage. Had it not been for this, they didn't think any impact would have had the same result.

Ms Y disagreed with the assessment of our investigator and said they didn't think enough weight had been placed on some of the information provided, including the witness statements of the tenant.

Our investigator looked at the case again and additional comments made by Ms Y but maintained their outcome on the complaint and it was referred for decision on the request of Ms Y.

## **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.

I've decided not to uphold this complaint, for much the same reasons as our investigator. I appreciate this will be disappointing for Ms Y, but I'll explain why I don't think Zurich has acted unfairly when declining the claim.

What needs to be determined here is if the policy provides cover for the damage claimed for, and if so, are there any exclusions which Zurich can fairly rely on when declining to cover the damage. If this is the case, its claim decision will be fair.

The policy provides cover for impact damage, but this cover relates to damage caused by any mechanically propelled vehicle. It doesn't appear the impact Ms Y said occurred at the property next door would fall into this category and she has said the damage is the result of accidental damage.

The policy does provide accidental damage cover, but the cover is provided with a number of exclusions. This includes the following which is excluded:

*"Damage or Consequential Loss caused by or consisting of:*

- i) Inherent vice, latent defect, gradual deterioration, wear and tear, its own faulty or defective design or materials."*

Zurich appointed its surveyor to assess the damage and give its opinion of the damage and its cause, saying the following:

*"The cause of the incident related to a long-term failure of the chemical composition between the plaster and the blockwork. The impact that occurred circa September 2022 has led to the plaster to delaminate and spring from the wall, causing the damage which is now visible"*

Ms Y also had an assessment of the damage completed with her report also highlighting an issue with the plaster and blockwork.

*"While it is clear that the chemical bond between the plaster and blockwork has been failing for some time, this does not account for the sudden and localised failure."*

The two reports do not dispute that the wall had an inherent vice with the bond between the plaster and blockwork failing with the opinion on both being, that this has been the case for some time. Ms Y feels this alone would not have caused the plaster to crack as it did, and it is fair to say it was the accidental damage caused by the impact in the neighbouring property.

While I understand the point Ms Y is making, I do not agree that Zurich has acted unfairly when applying the condition. Both expert opinions on the property agree there is a long-term issue with the plaster and bond with the blockwork. The impact highlighted this issue resulting in the cracking but I don't think it has been shown that this crack would have appeared had there been no inherent defect in the wall.

The failure in the bond between the wall and blockwork meant plaster has sprung from the wall. I think it is likely based on the version of events and what the tenant has said with this occurring suddenly, that an impact could have led to this sudden crack. But importantly, it was the de-bonding of the plaster and blockwork which meant there was a "spring from the wall" causing the crack.

I have not been provided with anything to show me that the cracking would have appeared if there was no underlying issue with the plaster and bonding. It is clear the underlying issue is material to the damage and in the absence of anything else, I don't think Zurich has acted unfairly when applying the exclusion it has and declined to cover the claim based on this.

I am sorry this is not the answer Ms Y was hoping for, but I hope my explanation helps to explain why Zurich hasn't acted unfairly when looking at this claim

### **My final decision**

For the reasons I've explained above, I don't uphold Ms Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 9 December 2024.

Thomas Brissenden  
**Ombudsman**