

The complaint

Ms M complains about Accredited Insurance (Europe) Ltd (Accredited) declining a claim under her home insurance policy for damage to her property in bad weather.

References to Accredited include their agents who administer the policy and assess claims.

What happened

In December 2023, following a period of bad weather, Ms M discovered a leak in the converted attic room of her property, causing damage to the decoration, carpet and a mattress. She contacted Accredited the following day to tell them about the damage and lodge a claim. Accredited appointed a surveyor (P) to visit the property and inspect the damage. As further bad weather was forecast before P's scheduled visit, Ms M had the property roof repaired, to a chimney base and lead flashing, to prevent further damage.

When P visited, given the repairs carried out, he concluded the damage was likely due to wear and tear of the roof. Ms M told him the roofer who repaired the roof said the cement around the bottom of the chimney stack had failed and become crumbly, allowing water ingress. P also said the damage to the interior of the property was also likely to fall under the contents section of the policy, rather than the buildings section. Following the surveyor's visit and report, Accredited contacted Ms M to say they were unable to validate the internal damage as being caused either by an insured peril under the policy, or age-related wear and tear, or pre-existing damage. So, they closed the claim.

Ms M wasn't happy at Accredited's decision, saying she wanted to make a claim under the contents section of her policy. So, she complained to Accredited. She was told by Accredited she would be contacted by P. P phoned Ms M to say they would refer the issue to the team dealing with contents insurance.

However, Ms M then received Accredited's final response to her complaint, which said they wouldn't cover the internal damage under the contents section of the policy (as accidental damage). The final response said Ms M's claim was considered under the storm section of the policy, given what Ms M said about the damage following bad weather. Accredited referred to the policy definition of storm and said the wind speed around the date of the incident (38mph) didn't meet the policy definition for storm (55 mph).

Accredited then went on to consider the cause of the damage, referring to P's report and conclusions about the external and internal damage. Accredited referred to the General Exclusions section of the policy, which excluded cover for damage caused by wear and tear or gradual deterioration.(and the storm section of the policy, which also excluded cover for damage as a result of anything happening gradually). As Ms M challenged the decline of her claim, Accredited said their in-house surveying team reviewed P's report and images taken and concluded the damage was due to an ongoing issue and not a sudden, one-off event. As such, there was no storm damage to cover and the contents wouldn't be covered under accidental damage as there wasn't a one-off event (the water damage to the attic room indicated an ongoing leak, so a gradual event not covered under the policy).

Based on these points, Accredited confirmed their decline of the claim (including the internal damage under the buildings additional accidental damage section of the policy).

Ms M then complained to this Service. While she understood that the age of the roof meant the damage was due to wear and tear (leading to the leak) she was unhappy at Accredited not accepting her claim for the internal damage, saying it should be considered under the contents section of the policy (as accidental damage) not the buildings section. She would be affected financially if she had to pay for the damage to the decoration, carpets and mattress at her property.

Our investigator upheld the complaint, concluding Accredited hadn't acted fairly. She reviewed the weather conditions in the area of Ms M's property around the date of the incident and didn't agree with Accredited's view there weren't storm conditions at the time of the incident. Local weather reports indicated rainfall on the date Ms M said the incident occurred to be 34.8mm, which would meet the policy definition of storm (for rainfall). Based on what Ms M told P about the cement around the chimney stack failing and becoming crumbly, the investigator thought the damage around the chimney base most likely was age-related, which wouldn't be covered by the exclusion in the policy for damage caused by wear and tear. So, the storm wasn't the main cause of the damage.

On the internal damage, looking at the video provided by Ms M, it was clear there was some water ingress. P attended some 11 days after the incident, which would have likely meant more substantial staining and peeling than that evident in the video. So, the investigator concluded the water damage inside the attic room was a result of a specific incident of water ingress, so Accredited should cover the damage under the accidental damage section of Ms M's policy. So, while Accredited had followed the policy terms and conditions in declining the claim for external damage, they hadn't acted fairly in declining cover for the internal damage under the accidental damage section of the policy. To put things right, the investigator thought Accredited should assess the internal damage under the remaining policy terms under *Accidental Damage*.

Accredited disagreed with the investigator's conclusions and asked that an ombudsman review the complaint. They referred to the views of their in-house surveying team that damage had been caused by water entering the property on more than one occasion and this was evident from the staining on the exposed purlins. So (referring to the policy definition of Accidental Damage) the damage wouldn't meet the policy definition as the damage didn't occur at a specific time.

Our investigator considered Accredited's response but maintained her view the internal damage should be considered under the Accidental Damage section of the policy. And had the water ingress happened over a period of time, she thought Ms M would have noticed it sooner (particularly as the water ingress damaged her contents). The investigator also thought the damage to the contents should also be covered under accidental damage of the contents section of the policy (as Accredited hadn't done enough to demonstrate the gradual damage exclusion applied).

Accredited accepted the further investigator view the contents should have been assessed under the Contents Additional Accidental Damage cover. But they maintained the internal damage to the property shouldn't be considered (under the Buildings Additional Accidental Damage section of the policy).

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.

My role here is to decide whether Accredited have acted fairly towards Ms M.

The main element of Ms M's complaint is that Accredited unfairly declined her claim, for the internal damage and contents damaged (under the accidental damage of the contents section). Accredited accept they should have assessed the claim for damage to the contents under the contents section accidental damage part of the policy. But they maintain they acted fairly and reasonably in declining to cover the internal damage under the buildings section accidental damage section, saying the damage wasn't the result of a one-off event. Rather it occurred gradually over time and so a policy exclusion applied.

While there doesn't seem to be a dispute between Ms M and Accredited about the external damage (to the roof) being due to wear and tear (or age-related issues) I have first considered that part of the claim.

As Accredited considered the damage under the storm section of the policy, I've looked at this aspect. In considering this issue, whether the damage resulted from a storm, there are three key issues we consider:

- Do we agree that storm conditions occurred on or around the date the damage is said to have happened?
- Is the damage claimed for consistent with damage that a storm typically causes?
- Were the storm conditions the main (or dominant) cause of the damage?

On the first question, Accredited refer in their final response to the following policy definition of a storm:

“Storm

A period of violent weather defined as:

- a. a gale of Force 10 or above (as defined under the internationally recognised Beaufort Scale) reaching wind speeds of at least 55mph; or*
- b. torrential rain that falls at a rate of at least 25mm per hour, or*
- c. snow to a depth of at least 30cm in 24 hours; or*
- d. hail so severe that it causes damage to hard surfaces or breaks glass.”*

Accredited's final response refers to a highest wind speed around the date of the incident of 38mph, so concluded the policy definition of a storm wasn't met.

I've looked at the weather data from the weather source we use as a Service. Data from the nearest weather station to Ms M's property (16 miles away) indicates a maximum gust of 54 mph on the day before the incident. Maximum hourly rainfall (7mm on the date of the incident, at a weather station nine miles away) is below the policy threshold – the figure of 34.8mm is for the maximum 24 hourly rainfall, on the date of the incident. So, I've concluded there weren't storm conditions on or around the date of the incident.

Although I've reached this conclusion, I have considered the second and third questions. While the damage – water ingress - might be consistent with damage in a storm, I've considered the most likely cause based on the evidence and information provided by Ms M and by Accredited.

P's report concludes the proximate cause of the damage (and the claim for external loss was/should be declined) because:

“It is in our considered opinion that the damage to the cement and mortar around the base of the chimney stack has most likely occurred due to age related wear and tear and weathering over a prolonged period of time. This pre-existing issues has merely been highlighted by the recent bad weather. Due to the policyholder having had the roof repaired prior to our inspection and not having any pictures of the damage we are unable to validate the claim and confirm the cause of the damage. Due to this we have repudiated the claim in full.”

When bringing her complaint to this Service, Ms M accepted what the surveyor said about the damage to the roof being likely due to age-related wear and tear. She also refers to the age of the roof would have been likely to mean the damage was due to wear and tear. In their final response, Accredited refer to the following exclusion in the *General Conditions* section of the policy:

“12. Any gradual or maintenance-related loss or damage

Loss or damage as a result of gradual causes including:

- wear and tear...*
- gradual deterioration (whether you were aware of it or not)..."*

Taking all these points together, I've concluded Accredited acted fairly and reasonably in declining the element of claim for the external damage (to the roof).

Having reached this conclusion, I've then turned to the claim for the internal damage to the property (the attic room). Starting with P's report again, it states:

“...We can see signs of historic water damage to the bedroom and that the wallpaper is peeling under the chimney. We cannot confirm that this has been caused by a single event or that the external damage was due to a one-off event of a storm as the policyholder has carried out repairs prior to our inspection and does not have any pictures.”

P concludes the proximate cause of the [internal] damage (and that the claim for internal loss was/should be declined) because:

“It is in our considered opinion that we cannot validate that the internal damage is due to an insured peril or due to age-related wear and tear or pre-existing damage. The policyholder had already had the repairs to the property carried out and due to this we are unable to validate and substantiate the claim. We have therefore repudiated the claim in full.”

Accredited also refer to the review of the claim by their in-house surveying team, based on review of P's report, photographs and video from Ms M. The review comments:

“I agree with the surveyor report that there is no evidence of storm damage to the roof. The policyholder's video is key to the decline. The video clearly shows previous water staining to the exposed purlins and ridge beam in the loft as there is clear visible dry staining and new wet staining which would indicate this as an ongoing issue and not a sudden one-off event.

There is no storm damage to cover and we cannot cover the contents under the Buildings Additional Accidental Damage as it is not a one-off event, the water damage to the bedroom would indicate an ongoing leak and is considered gradual which is an exclusion under the policy.”

I've also looked at the video provided by Ms M. While short (just under two minutes) there is clear indication (and commentary from the person taking the video) of damp and wetness to the roof of the attic room, which would be consistent with recent ingress of rainwater (through the damaged roof/chimney base). The question then becomes one of whether the ingress is solely due to the recent ingress or – as Accredited maintain – there is evidence of previous ingress ('clear visible dry staining' as the in-house surveyor describes it).

Having considered this carefully, I'm not persuaded the video clearly indicates previous staining and damage, preceding and separate to the damage from the ingress of water through the damaged roof. Nor do I think it likely that had water ingress been an ongoing issue for some time, Ms M wouldn't have noticed it, given the use of the attic room as a bedroom.

So, I've concluded the damage was likely to have been caused by a one-off event (the ingress of water through the roof) even though it wasn't due to a storm.

In disagreeing with our investigator's view, Accredited refer to the policy definition of *Accidental Damage*:

“Sudden, unexpected and physical damage which:

- I. happens at a specific time; and*
- II. was not deliberate; and*
- III. was caused by something external and identifiable.”*

Looking at the definition, I think the circumstances of the damage and the incident would meet this definition.

I've also considered the general principle, where a policyholder makes a claim for damage or loss under a policy, the onus is on them to show there was an insured event that caused the damage or loss. In this case, I think the evidence supports the conclusion there was a one-off event that would fall within the definition of accidental damage set out above.

Where an insurer relies on an exclusion in the policy to decline a claim (as Accredited have done) then the onus is on them to show the exclusion applies. Looking at the available information and evidence, I don't think Accredited have done so in the specific circumstances of this case.

Taking all these conclusions into account, I've concluded Accredited didn't act fairly towards Ms M in declining to cover the internal damage to the property under the Buildings Additional Accidental Damage section of the policy.

Turning to the contents aspect of the complaint (which would include damage to the carpet and mattress) then the same principles would apply, under the Contents Additional Accidental Damage section of the policy. And I note Accredited accept they should have assessed the claim for damage to the contents under this section of the policy.

Taking all these points together, while Accredited have acted fairly towards Ms M in declining to cover the external damage (under the storm section of the policy) they haven't acted fairly in declining the internal damage and contents damage (under, respectively, the Accidental Damage sections of the buildings and contents sections of the policy).

To put things right, they should assess the damage in line with the remaining terms and conditions of the Additional Accidental Damage sections of the policy.

My final decision

For the reasons set out above, it's my final decision to uphold Ms M's complaint in part. I require Accredited Insurance (Europe) Ltd to:

- Assess the claim for internal damage and contents damage under, respectively, the Buildings Additional Accidental Damage and Contents Additional Accidental Damage sections of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 15 October 2024.

Paul King
Ombudsman