

The complaint

Mr G has complained that Accredited Insurance (Europe) Ltd (AIE) unfairly declined a claim under his home insurance policy.

What happened

Mr G made a claim to AIE for storm damage to a roof terrace at the first-floor level of his home following storm conditions in December 2023. The roof of the garage formed the floor of the roof terrace and it had UPVC railings around it. A door leads from a bedroom onto the roof terrace.

Mr G said a section of the railings separated due to the storm force winds and two posts holding the railings in place were damaged, leaving holes in the roof.

AIE accepted there had been storm conditions at the relevant date. It appointed a surveyor to inspect the damage. Following that inspection AIE declined the claim. It said his policy didn't cover storm damage to a terrace. It thought a terrace and a balcony were one and the same. It also said that the balcony was enclosed by a balustrade which was a fence and fences also weren't covered by his policy for storm damage.

Mr G complained to AIE. He thought the claim should be covered as the garage roof was part of the structure of his home and had been damaged. AIE didn't change its decision.

Mr G brought his complaint to this service. He said that he has since replaced the railings for safety reasons and begun repairing the roof to make it weather-proof. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

"The key issue for me to decide here is whether AIE applied the terms and conditions of the policy fairly. I don't think it has and I'll explain why.

There has been some debate as to whether the area above Mr G's garage should be referred to as a balcony or a roof terrace. I don't think it particularly matters but I usually think of a balcony as a small elevated space that projects from the wall of a house or flat. As this open space is on top of the garage, I think the term "roof terrace" is more appropriate in this case.

*Mr D's policy covers him for loss or damage to buildings caused by a storm. Within that cover certain types of damage are excluded including "loss or damage to drives, patios, footpaths, terraces, gates, fences and hedges unless **your home** has been damaged at the same time and by the same cause".*

*The term "home" is defined in the policy as "the main building which **you** live in, garages, which are part of or attached to the main building, and **outbuildings** all within the boundaries of the address shown on **your schedule**."*

That means as a first step Mr G needs to show that part of his home (as defined above) has been damaged by the same storm. Mr G said that the fibreglass roof of his garage (which also serves as the floor of the roof terrace) had been damaged by the same storm. The roof terrace railings had nine metal post holders which were embedded in the garage roof. Two of the nine post holders were damaged leaving left holes in the garage roof. Photos provided by Mr G support this. The garage was part of or attached to the main building. So I think it's fair to say that Mr G's home was damaged by the same storm as the one that damaged his roof terrace railings.

Even if the railings are classed as a fence and the balcony as a terrace, they should still be covered for storm damage as for the reason given above. Mr G has shown that his home was also damaged by the same storm.

AIE has accepted that there was a storm at the relevant time. The damage is also consistent with what I'd expect a storm to cause as storm force winds often do damage fences of this nature which are quite exposed. The other question we normally ask in this sort of complaint is whether the storm was the main cause of the damage. In deciding this, I usually rely on expert evidence. In this case I note that AIE's loss adjuster referred in his report to the fence having been damaged by the storm.

Overall I consider that Mr G has made a valid claim under the policy cover for storm damage and that it should succeed. AIE has already assessed the damage and it should now use that information to settle the claim.

As Mr G has carried out some or all of the works himself, he has been out of pocket for some time. In the light of that I think AIE should add simple interest of 8% a year to the cash settlement from the date of the claim to the date of settlement.

I also think Mr G has been inconvenienced unnecessarily by the unfair decision to reject his claim. I think the sum of £100 is appropriate to compensate him for the trouble and upset caused by that."

In response Mr G said he could provide receipts showing he had spent £2,882.96 on materials to repair the fence. He thought he should be paid £1,000 for his labour as he'd been quoted three times as much as that for the work. He accepted that there was a policy excess of £350.

Our Investigator told AIE I was minded to increase the compensation to £500 in view of the inconvenience to Mr G in having to do the work himself. It didn't agree to that. AIE said it had referred the claim back to an in-house surveyor who had observed from the photos of the damage that the fence post shoes had deteriorated as evidenced by rust. It said the roof was in a poor state of repair. It thought the damage had occurred as a result of gradual or maintenance-related loss or damage which was excluded from cover rather than the storm.

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.

Generally speaking, I don't think it's fair at this stage of a complaint for a business to raise new exclusions that might be applied to defeat a claim. But even if I were minded to allow AIE to rely on a new reason to defeat the claim, I don't think the exclusion applies in this case. That's because AIE's surveyor had inspected the damage not long after the storm and didn't report that there was any such gradual deterioration. He described the property as being in a "fair state of repair" and said the proximate cause of damage to the fence was the

storm. When asked whether there were “*Any pre-existing or ongoing external building defects or issues that are not peril related*”, he answered “No”. Similarly under “*Cause of Damage/Peril*” he answered “*Storm*”. As this surveyor actually inspected the damage in person, I place more weight on his opinion than that of someone who only reviewed photos.

I appreciate that Mr G has saved AIE a lot of money by carrying out the repairs himself. However the policy doesn’t cover costs relating to labour carried out by a policyholder. Instead I have taken into account the inconvenience caused to Mr G by having to carry out these works himself to minimise costs after his claim was unfairly declined. I think compensation of £500 is appropriate to compensate Mr G for the trouble and upset caused by this.

My final decision

For the reasons set out above, I uphold this complaint and require Accredited Insurance (Europe) Ltd to:

- settle Mr G’s claim for materials purchased to repair the roof subject to him providing receipts but after deduction of any policy excess;
- add interest at the annual rate of 8% simple to any cash settlement payable, calculated from the date of the claim to the date of settlement; and
- pay him compensation of £500.

If it considers that it’s required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it’s taken off. It should also give Mr G a certificate showing this 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 G to accept or reject my decision before 11 November 2024.

Elizabeth Grant
Ombudsman