

The complaint

Ms M is complaining Covea Insurance plc has declined a claim she made on her commercial property insurance policy.

Ms M has largely been represented by another individual in the handling of this complaint. But for ease of reference I shall refer to anything said on Ms M's behalf as being said by Ms M. Also any reference to Covea includes actions by anyone acting on its behalf.

What happened

In November 2022, Ms M contacted Covea to claim for damage to a property she owned and rented out. In January 2023, Covea's loss adjustor attended the property and took photos of the damage. However, he was of the opinion that the damage had happened over time. So Covea said the claim wasn't covered under the terms of the insurance policy. Following this, Ms M arranged for another surveyor to come inspect the property. But he concluded the water damage was likely to be down to an instant failure of the pipework from the flat above. Ms M referred this report to Covea who said it still didn't think the issue was down to a sudden event but that the damage was attributable to a gradually operating cause which it maintained was excluded from the cover provided by the policy.

Ms M says Covea told her to stop any rectification work and said it took six months to formally decline the claim. And she said it's this delay that ultimately caused the damage that subsequently arose. She said the ceiling collapsed in February 2023 just after her tenant had finished bathing her baby. She also said it landed on her managing agent causing an injury.

Covea acknowledged it had caused some delays and offered to pay £150 in compensation. But it maintained it wasn't liable for the damage.

I issued a provisional decision not upholding this complaint and I said the following:

"I should first set out that I acknowledge I've summarised Ms M's complaint in a lot less detail than she's presented it. Ms M has raised a number of reasons about why she's unhappy with the way Covea has handled this matter. I've not commented on each and every point she's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service. I assure Ms M and Covea, however, that I have read and considered everything she's provided."

Ms M thinks it's unfair Covea has declined the claim because she says she was told she had to wait for Covea to authorise repairing the leak. And she says it didn't tell her she could carry out her repairs for many months, which is what she says has ultimately caused all the damage.

So, in essence, there are two things for me to decide in this decision:

1. Was it fair for Covea to say the damage that arose in November 2022 and subsequently

wasn't covered under the terms of the insurance policy; and, if so

2. Did Covea's actions mean Ms M reasonably thought she couldn't carry out the repairs?

The terms of Ms M's insurance policy provides cover for "Accidental loss destruction or damage unless otherwise excluded." However, it excludes damage that occurs gradually. So the first issue for me to decide here is whether the damage Ms M is claiming for is down to a sudden and unexpected event or if it has happened over a period of time. Based on the information Covea has now provided I intend to say I think the damage has happened gradually. I'll now explain why.

Ms M initially reported a leak to Covea in July 2022. Covea said it wasn't liable to fix the leak, but it did agree to cover the resulting damage. I understand this issue was thought to be an issue with the sealant in the shower, which Ms M paid to resolve. Ms M then reported a further issue the following month. However, I've seen evidence to show that issue hadn't been repaired by December 2022 or for many months after that. And Covea has set out that this is the cause of the resulting damage.

Ms M disputes this is the cause and she appointed a surveyor to review her property. The surveyor concluded:

"The damage is consistent with an instant failure in the flat above rather than any minor build up over time.

The damp ingress in the lounge is a result of a failure in the flashings during periods of heavy rainfall."

While I have noted and considered his comments, I don't think the surveyor has given any explanation of what he thinks did cause the ceiling collapse. It's also not clear whether he was aware of the history of the claim – i.e. that there seems to have been an ongoing leak for almost a year by the time he carried out his report. However, as I said, I have seen clear evidence that there was an ongoing leak which went unrepaired for around nine months before the ceiling collapsed. And I think it's most likely that this was the cause of the damage.

I'm also conscious of the following general condition of the insurance policy:

"9. Reasonable Precautions

You [Ms M] must ... take all reasonable precautions to prevent or minimise Damage, accident or Bodily Injury."

Ms M was aware there was an ongoing issue and it seems didn't do anything to stop this. Ultimately, it seems Ms M didn't repair the leak initially reported in July 2022 and this is what has caused all the resulting damage.

Ms M has said she didn't repair the leak because she says Covea told her she needed to wait for it Covea to authorise the repairs before she could carry out the repairs. However, having reviewed all correspondence I've seen between Covea, its agents, Ms M and her agent, I haven't seen anything to show Covea did tell Ms M she wasn't to carry out any repairs to the leak.

In particular, I can see that in July 2022 Ms M's broker – on Covea's behalf – asked Ms M's letting agent if they had a leak repair invoice. And she provided an invoice for this. So she completed the first repair without requiring authorisation, so it's not clear why she would have had to get authorisation to complete the second repair, given she knew she didn't have

to the month before.

I do think Covea could have been more pro-active at the start, However, I can see in November 2022 Covea advised “we advise that the cause of the leak itself is fixed asap! This is not covered under the insurance.” This was then confirmed to Ms M’s management agent in an email from her broker. However, it seems the issue was still not repaired for a number of months after that. I can see it seems there was some confusion between Ms M and her managing agents. But, as I said, I haven’t seen anything to support that Covea gave Ms M the impression she wasn’t to repair the leak. And, as I said, she was aware from the leak the month before it was her responsibility to carry out any uninsured repairs.

Ultimately, I’m satisfied the damage Ms M has claimed for from November 2022 onwards – including the collapse of the ceiling – isn’t covered under the terms of the insurance policy. I naturally sympathise with the situation Ms M has found herself in. I recognise this would have been very distressing – not least the situation when the ceiling collapsed. But I can’t say it was unreasonable for Covea to not cover the claim.”

Covea didn’t respond to my provisional decision. Ms M asked for a number of extensions to provide more information but ultimately didn’t reply to my provisional 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.

While Ms M has said she wanted to provide further information, ultimately neither party has given me anything new to think about. Given this I see no reason to reach a different conclusion to what I reached in my provisional decision. So I still think the £150 compensation Covea Insurance plc has offered is fair.

My final decision

For the reasons I’ve set out above, it’s my final decision that I think the £150 compensation Covea Insurance plc has offered is fair. It should pay this to Ms M directly if it hasn’t already done so. And I make no further award.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms M to accept or reject my decision before 31 December 2024.

Guy Mitchell

Ombudsman