

The complaint

Mr S is complaining that Royal & Sun Alliance Insurance Limited ('RSA') declined a claim he made on his commercial property insurance policy.

What happened

In October 2023 Mr S contacted RSA to advise that water damage had appeared in a property he rented out. RSA asked Mr S to provide some more information – including photos – to verify the claim. After receiving this, it said it didn't think the damage was covered as it believed the roof had failed due to wear and tear. It also didn't believe there was evidence of a storm around the time the damage was reported.

Mr S didn't think RSA was being fair as he says it told him at the start the damage would be covered. He was also unhappy with the length of time it took to decline the claim.

Our Investigator didn't uphold the complaint as he was satisfied that water had entered the property as a result of wear and tear to the roof as opposed to a storm. He also thought it was fair for RSA to say that it thought the water had been coming in over a period of time.

Mr S didn't agree with the Investigator and raised the following points:

- It should be recognised that, as a tenanted property, he couldn't have the same level of oversight on the property as he could if it was his. So he couldn't have known about the water damage sooner than he did.
- He remembered there were heavy rains early in the year. It's his opinion that the continual heavy rainfall is what caused this water seepage.
- He said he kept his responsibilities as a landlord by keeping RSA informed and had several telephone conversations with RSA. He also highlighted that he paid for a temporary repair.
- He said the Investigator had initially told him he'd have expected RSA to arrange a surveyor to inspect the property. And he said he'd also asked RSA to send someone to inspect the property.
- He also thinks it's unfair his policy premium increased as a result of him making a claim, even though RSA didn't settle it.

As Mr S didn't agree with the Investigator's opinion, the complaint's been passed to me to decide.

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 to not uphold this complaint and I'll now explain why.

The terms of the insurance policy cover Mr S for loss or damage arising from a storm. However, the terms of the policy also set out that it won't cover loss or damage that happens gradually – i.e. it's down to wear and tear. RSA believes the damage occurred because of gradual damage to the roof and long-term water ingress.

In thinking about this, I've asked myself three questions:

1. Were there storm conditions as defined under the terms of the insurance policy?
2. Is the damage claimed for consistent with damage a storm typically causes?
3. Were the storm conditions the main cause of the damage?

There were wind speeds of around 28mph and maximum hourly rainfall of 28.6mm at the time the damage occurred. The policy doesn't define what RSA considers to be a storm, but I think the amount of recorded rain in such a short period would reasonably be considered a storm. So I'm satisfied there was a storm and it's not unusual for a storm to damage a roof. So I'm satisfied the answer to questions (1) and (2) is "yes". I think the primary issue is whether the storm was the main cause of the damage.

I can't reasonably conclude that the heavy rainfall has damaged the roof. A roof in good condition will be designed to cope with such levels of rainfall and I don't think such rain would have caused such damage. RSA has set out that there's an area where Mr S's roof meets the adjoining roof which appears to have failed. It also said it could see in other photos the area breaking down. Finally it highlighted the application of tape across the two joining roof structures which is where it believes the water was entering the property. I think the photos provided supports RSA's findings here.

Taking everything into consideration, I don't think it was unreasonable for RSA to say the roof wasn't damaged by the storm and has happened due to natural wear and tear. So, it follows that I don't think it needs to cover the damage to the roof.

However, while I think it was fair for RSA to decline the claim for the damage to the roof, it doesn't automatically follow that it was fair to decline the claim for the internal damage. In considering this, I've thought about whether the internal damage suddenly occurred, or whether there was evidence of a long-term ingress of water – i.e. the internal damage also happened gradually.

RSA said the images provided showed extensive mould spores on the beam. I've looked at the photographs Mr S took and this does suggest a long-term period of water ingress. And I think the occupier of the property would have noticed this damage sooner than was reported to RSA.

I recognise Mr S thinks this is unfair as he said it's a tenanted property, so he doesn't live there. He also highlighted he'd suffered from several health concerns so was unable to inspect the property. I naturally sympathise with the health challenges Mr S has faced. But I have to consider whether RSA is liable for the damage under the terms of the policy. The evidence points to the fact that all the damage he's claiming for has happened gradually and the policy specifically excludes cover for that.

I note Mr S has queried why RSA didn't send a surveyor to inspect the property. But it wasn't required to do so. It's common industry practice for insurers to ask policyholders to send photographs of the damage to assess the claim and it's not unreasonable they do so. In this case, I can see RSA asked Mr S to provide evidence of the damage and other information, but it took him a long time to respond. But, it was ultimately entitled to assess the claim

based on the photographs Mr S provided and, for the reasons I set out above, I don't think it was unreasonable for RSA to decline Mr S's claim.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 March 2025.

Guy Mitchell

Ombudsman