

The complaint

Mr and Mrs H complain that U K Insurance Limited trading as Churchill, has made an unfair claim decision with regards to a claim made on their building's insurance.

What happened

The details of this complaint and Churchill's claim decision are well known to both sides, so I've only summarised the facts relevant to this dispute.

Mr and Mrs H identified water pooling under their floorboards after investigating the sound of running water. They notified Churchill of this and made a claim for the damage they said had been caused as a result.

Churchill and its loss adjuster and drying specialist assessed the property. On inspection, no water was present under the property as it had since drained away. Both of Churchill's agents agreed the cause of the water under Mr and Mrs H's property was because of changes in the water table. As this increased and decreased, water could rise underneath the property.

Mr and Mrs H feel there was a flood following a particularly heavy period of rain and this resulted in the water level reaching the point it did. Causing damage to the damp proof course to the subfloor as it broke up the tar solom which had previously stopped this from being an issue.

Churchill declined to cover the damage to Mr and Mrs H's property. It said it had not been demonstrated the cause of damage was the result of an insured peril. It didn't agree the period of heavy rainfall had met the definition of storm. And it didn't think the gradual build-up of water as the water table changed over time, could be said to be a flood. As a result, it didn't think there was any cover within the policy for the damage, it repudiated the claim.

Our investigator looked at this complaint and said they thought Churchill needed to do more.

They agreed the weather conditions didn't meet the definition of a storm, but it was noted the overall rainfall during the period was high. And the policy included an exclusion for any damage caused gradually.

However, even in the absence of a storm, both of Churchill's agents and an independent contractor appointed by Mr and Mrs H agreed on the cause of the water under the floorboards – the increase in the water level and water table.

Our investigator highlighted that Churchill had not defined within its policy terms what a flood was. Our Service would consider a flood to have occurred, irrespective of how the water entered a property. A rise in the water table, although gradual would still be considered to cause a flood if the water entered the property. Here, all agreed the rise in the water table resulted in the water pooling under the property.

So our investigator felt it was fair for Churchill to reconsider the claim, accepting that a flood

was the cause of the water entering.

Mr and Mrs H accepted this recommendation.

Churchill disagreed with our investigator's opinion. It didn't provide any reasoning in response to the view, but provided an example of a published decision with what it felt were similar circumstances. This case had a different outcome and so it felt the outcome of Mr and Mrs H's case should be different.

Our investigator explained that each case is considered on its own merits and their opinion remained unchanged. As Churchill did not accept, the complaint has been referred for 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.

I've decided to uphold this complaint, for much the same reasons as our investigator. I appreciate Churchill will be disappointed by this, but I'll explain why I think it's not made a fair claim decision.

When a claim is made, the claimant needs to demonstrate there is an insured event, or peril which has resulted in the damage. As our investigator has explained, Churchills policy sets out perils the policy provides cover for and this includes storm and flood.

UKI set out what it considers to be a storm and the rainfall levels experienced at the time Mr and Mrs H noticed the water pooling under their property would not meet this threshold. So it is fair to say, that despite it being noted there was a fairly significant period of heavy rain at the time, this wouldn't be considered as a storm.

However, I don't think it is fair to say the gradual increase in the water level and water table is not a flood. There is no definition provided within the policy documents on what would be considered a flood and this isn't unusual.

Churchills loss adjuster has said a flood would be considered as caused by events outside the home such as a river bursting its banks or seawater coming over coastal defences. But this narrow definition of a flood is not set out within the policy terms. While floods often do occur suddenly with the examples set out by the loss adjuster being common examples of a flood, a flood can occur gradually through a slow and steady build-up of water.

In this case, both Churchill's loss adjuster and drying specialist and Mr and Mrs H's appointed builder are all in agreement on the cause of the water pooling under the property. This is attributed to the gradual increase and decrease in the water table. Although not a sudden and violent event, water has entered under the property and I think with the agreement from all on the cause of this, it is fair to agree this.

Mr and Mrs H have claimed the water entering their property has caused damage and from what I've seen, I don't think Churchill has fairly considered this when discounting whether the build-up of water was the result of flood.

The loss adjusters report demonstrates no consideration has been given to the solom as this hasn't been reported on. So in reconsidering the claim, Churchill will need to decide whether it feels the flood is the cause of the damage, which it hasn't yet demonstrate it has done.

Overall, I think it is clear water has built up under the property and it is fair and reasonable to say this gradual build up should be considered as a flood, with the water pooling and entering under the property. And Churchill will need to reconsider the claim and whether the flood is the cause of damage claimed for.

Putting things right

To put things right, it is fair and reasonable that U K Insurance Limited trading as Churchill do the following.

- Consider the claim under the cover provided by the policy for flood. Reassessing the claim on the basis that a flood has occurred and applying all other policy conditions when doing so.

My final decision

For the reasons I've explained above, I uphold Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 20 March 2025.

Thomas Brissenden
Ombudsman