

## **The complaint**

A limited company, “S” complains Zurich Insurance PLC declined a claim it made for storm damage under a commercial buildings insurance policy.

Mr S, a director of S, brings the complaint on its behalf with the assistance of a representative.

## **What happened**

The full details of the complaint are well known to both parties, so I won’t repeat them in detail again here. Instead, I’ll focus on providing my reasons for my decision.

In summary S made a claim for cracked roofing panels which had let water into the building. S had arranged for a roofing company to review the damage. The opinion of the roofing company was that high winds had caused the panels to crack.

Zurich reviewed the claim but declined it saying the roof was in poor condition, evidenced by the growth of moss. It thought the damage was more likely caused by wear and tear which isn’t covered by the policy.

## **My Provisional findings**

I issued my provisional findings on 8 January 2025. In it I said I intended to uphold the complaint for the following reasons:

- *“S holds an ‘All Risks’ policy which provides cover for most damage and loss to the building except in certain circumstances. Damage caused by Storm is covered by the policy. The policy also includes another section which covers all other damage incurred, however this specifically excludes damage caused by wear and tear and gradual deterioration.*
- *The damage to the building wasn’t discovered for some time after it was initially caused due to internal suspended ceilings hiding the ingress of water. It wasn’t until the ceiling collapsed the damage was noticed. Naturally therefore the damage happened over a period of time, and it is understandable that S has difficulty in noticing and specifying a specific timeframe as to when the cracks to the roof panels happened.*
- *S has shown that a few months prior to the ceiling collapse there were storm force winds which could have caused the damage to the panels. And then in the weeks prior to the ceiling collapse, there were heavy downpours of rain which caused flooding in the local area. This sounds reasonable. The cracks would have let water in gradually to the point the internal ceiling became saturated and collapsed. The heavy downpours likely shortened the timeframe for the damage to become apparent. So, a timeframe of a few months between the initial damage and the ceiling collapse seems plausible.*
- *I note S refers to regularly inspecting the internal roof structure and not having any other issues in the lengthily period of time the building has been owned.*
- *Zurich has suggested the roof was in poor condition and points to the presence of*

*moss on the roof to support this. The presence of moss alone doesn't automatically mean a roof is in a poor state of repair, and despite me asking Zurich to provide more detailed commentary as to why it believes the roof was in poor condition, it has been unable to do so.*

- Given S has shown the presence of damage to the building and Storm conditions in the preceding months which could have caused the damage. I'm satisfied it has presented a valid claim. The Storm conditions that were present are capable of causing the damage claimed for and I'm not satisfied Zurich has provided persuasive evidence that the proximate cause of damage was actually wear and tear as it has suggested. I therefore intend to uphold this complaint and direct Zurich to deal with the claim in line with the remaining terms and conditions of the policy.*
- When Zurich initially sent contractors out to inspect the damage, they were unable to do so due to the height of the roof and asked for a drone survey to be carried out by S. S had already had one completed and provided the details to Zurich. There was a delay in reviewing this evidence and reaching a decision. Zurich offered £200 compensation to reflect this delay, but I think it should also cover the cost of the drone survey. Zurich did not arrange or pay for any alternative access to the roof, it asked S to arrange the survey and relied on its findings to make the claim decision. As such I think it would be fair and reasonable for it to cover this cost.*

#### *My provisional decision*

*I intend to uphold S's complaint against Zurich Insurance PLC and direct it to do the following.*

- Deal with the claim in line with the remaining terms and conditions of the policy. Should Zurich go on to accept the claim it should reimburse S the costs of the repairs it had done, less any applicable excess.*
- Reimburse S the cost of the drone survey.*
- Add interest at 8% simple per year on any payments made to S from the date S paid the respective invoice, to the date Zurich makes the payment to it.*
- Pay £200 compensation if it has not already done so".*

#### **Responses to my provisional decision**

Zurich did not provide a response for me to consider.

S responded saying it accepted the provisional decision. It said that it was charged £100 for the survey with no VAT charged, but it can't locate an invoice. It asked that this amount be paid to it.

#### **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.

Having reconsidered everything, I'm minded to reach the same outcome as set out in my provisional decision, for the same reasons. So, for those same reasons, I will be upholding S' complaint against Zurich. I don't think Zurich declined the claim in a fair or reasonable way.

I've considered that S has said it can't provide an invoice for the cost of the drone survey, however I don't think this should mean it shouldn't be paid for it. A survey was clearly carried out and the results have had an impact on the outcome of the claim. I think if Zurich

had made a similar instruction, it likely would have paid a similar amount, or more. Considering this, I'm happy to accept S's submission it paid £100 for the survey, and I will require Zurich to reimburse this amount.

If S can't confirm the date it paid for the survey, 8% simple interest per year should be calculated from 23 August 2023, which is the date it notified Zurich the survey had been completed.

### **Putting things right**

To put things right Zurich should do the following:

- Deal with the claim in line with the remaining terms and conditions of the policy. Should Zurich go on to accept the claim it should reimburse S the costs of the repairs it had done, less any applicable excess.
- Reimburse S the cost of the drone survey stated as £100.
- Add interest at 8% simple per year on any payments made to S from the date S paid the respective invoice, to the date Zurich makes the payment to it. (or from 23 August 2023 if S is unable to confirm the date of payment)
- Pay £200 compensation if it has not already done so.

### **My final decision**

My final decision is that I uphold S' complaint against Zurich Insurance PLC. I direct it to put things right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 4 March 2025.

Alison Gore  
**Ombudsman**