

The complaint

Miss S complains that HCC International Insurance Company Plc (HCC) declined her claim for storm damage under her home insurance policy.

What happened

The following is intended as a summary of events only, as the circumstances are well known to both parties.

Miss S held a home insurance policy underwritten by HCC. Following a storm in December 2023, she noticed that her garden wall had been damaged and there was water ingress to her rear bedroom. Miss S contacted HCC to make a claim under her policy.

Miss S provided photos of the damage and quotes to fix the garden wall – which was established as being partly owned by Miss S' next-door neighbours. There was then a delay where the claim was not progressing until early March 2024.

Once the claim was picked up again, a surveyor was appointed to inspect the damage and provide a report on policy coverage. Miss S' broker also provided HCC with additional photos of the damage, and a quote was obtained for the repairs to the roof, rear bedroom, and garden wall.

While HCC agreed to cover the claim for internal damage, they declined the roof damage and wall damage elements of the claim. They said the garden wall had collapsed due to the wall having been penetrated by rain over a long period which had gradually weakened it. And they said having inspected Miss S' roof – they said the lead flashing showed signs of failure and general wear and tear, resulting in water ingress to the rear bedroom.

Therefore, they declined the claim as they said the damage to both the garden wall and the roof was a result of something that had happened gradually, over time – and this was excluded from cover.

Miss S was unhappy with this outcome and complained to HCC. She said she'd had a roof repair to the area of water ingress two years prior to the storm – so she felt this showed evidence of maintaining the roof. Miss S said the contractor who'd fitted some new tiles in 2022 had taken photos while it was being repaired.

HCC considered the complaint and upheld it in part. They said they were satisfied they had correctly declined cover under the policy for wear and tear. But they did agree there had been times when there could have been better communication, and the claim could have been progressed more quickly, with the outcome of it communicated to Miss S sooner. In recognition of this – they made an award of £200 compensation.

Miss S remained unhappy with HCC's response, so she brought the complaint to this Service. An Investigator looked at what had happened and recommended the complaint should be upheld. He said while he agreed there wasn't any cover for the damaged garden wall – he did think that the damaged roof and subsequent water damage to the rear

bedroom was the result of a storm and should be covered under the policy. He said an inspection from an estate agent was carried out in September 2023 and hadn't mentioned any issues with a leaking roof. And he also thought that as Miss S had replaced some of the tiles in 2022, he wasn't persuaded that the damage was caused by wear and tear or gradual deterioration. The Investigator also felt HCC should pay £300 compensation due to their handling of the claim and delays.

HCC said they didn't agree with the Investigator's findings. They said the roof showed signs of being in generally poor condition. And they provided photos taken by their surveyor and compared these against street view photos taken from 2022 which they said showed the lead flashing below the roof's window looked like it had failed over time – not due to a one of event, such as a storm.

Miss S responded to the Investigator's outcome and largely agreed. But she said there was additional damage caused by the delays and this meant her home was now damp and had mould. And she said the cost to repair this had increased substantially. Miss S also thought that the compensation recommended wasn't enough to account for the impact she had experienced. She said the delays in dealing with her insurance claim - and then following the formal complaint process - had not just impacted on her home, but on her physical and mental health also. Miss S explained she suffers from MS, as well as being diagnosed with anxiety and depression.

Miss S also wanted to raise a further complaint in relation to the impact to her after HCC issued their final response in August 2024. She said she had been caused to go into mortgage arrears due to having to pay for repairs herself. She also explained she'd had to take out a home insurance policy with another provider given she had an unsettled claim outstanding, and this meant her monthly premiums had increased substantially.

HCC considered the additional complaint points Miss S raised but said they felt her concerns were linked to the open complaint. As such, they asked this Service to consider those points and address these within a final decision.

I issued a provisional decision on this complaint, and I said the following:

"I should start by explaining that I don't intend to make an extended finding on the damage to the rear cob wall. This is because I'm satisfied it was fairly excluded from cover given the report that was obtained on this area of damage. The report said:

"The cob wall has evidence of vegetation growth coming out of it and given it is the top section of the wall affected, this is common where the wall will have been penetrated with rain over a long period and has generally weakened over time."

I think it was fair and reasonable for HCC to rely on the findings of this report to decline cover. But it seems the roof and internal damage is not so conclusive – so I'll focus my findings on these points.

Miss S' policy provides cover for damage caused by storm. So, when looking at a storm claim complaint, there are three issues I need to consider:

- 1. Do I agree that storm conditions occurred on or around the date the damage is said to have happened?*
- 2. Is the damage claimed for consistent with damage a storm typically causes?*
- 3. Were the storm conditions the main cause of the damage?*

HCC said in their final response that there had been adverse weather conditions around the time Miss S noticed damage and raised her complaint. I can see weather records show a range of dates, so I've considered these and I've seen peak gusts of between 47mph and 52mph on the reported date of the damage. I'm therefore overall satisfied there were storm conditions on the date of the loss – so I'll move on to consider points two and three.

In relation to point two, I can see HCC's loss adjusters said they didn't consider the windspeeds recorded extreme enough - and that the roof should have been able to withstand the conditions recorded. But I also note that the loss adjuster's report uses the wrong date for the loss – and the windspeeds recorded on that day were lower than the date of loss by around 10%. In the circumstances, having considered the evidence provided, I'm satisfied that the damage to the flat roof is consistent with the type of damage I would expect to see in such a claim. I'll therefore move on to point three – which I consider to be the main crux of this complaint.

Miss S' policy excludes loss or damage caused by wear, tear, or gradual deterioration. HCC has said they concluded Miss S' roof was in a poor state of repair – so while they agree there were adverse weather conditions around the time of the loss, they didn't think these were the cause of the damage sustained. I should explain at this stage that because HCC is seeking to rely on an exclusion to decline the claim, the onus is on them to prove the exclusion applies. So, I've reviewed the available evidence with this in mind.

HCC said that when they inspected the roof, it was apparent that the lining / flashing showed signs of failure and general wear and tear, resulting in the water ingress that caused the damage to the rear bedroom. They referred to the photos taken by their loss adjusters and a street-view photo of Miss S' property which they say demonstrates that the roof was in poor condition - they said:

“These images were taken in November 2022 and indicate that there was moss growing extensively on the roof at that time...the lead flashing under the window...appears to be the same lead flashing in the photographs taken in 2024, given the ‘shape’ and apparent lifting.”

In response, Miss S said that she had previously had some tiles replaced around the area of the leak in 2022, and the contractor hadn't noted any issues with other areas of the roof. Additionally, she said she'd had an inspection of her property in 2023 by an estate agent which hadn't highlighted any issues with water ingress.

I've thought about this situation very carefully, and I've considered the evidence provided by both parties. In situations like this, where the evidence may be incomplete or contradictory, I'll need to make my decision on the balance of probabilities, given the evidence which is available and the wider circumstances of the complaint. I've also thought about my statutory function, which is to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case

While I do acknowledge what HCC are referring to about the general condition of the roof, I'm not persuaded that the moss on Miss S' roof is evidence that there was an underlying issue with it, given Miss S has never previously raised an issue with water ingress.

Additionally, Miss S can show she had repairs done in the general area of the water ingress and there were no concerns noted about the soundness of the roof. HCC has said that there is no reference to any work undertaken to the flashing or commentary around it, and the roofers comments only reference replacing some slates around the rear dormer on the pitched roof. They also provided street-view photos that they say shows the lead flashing below the window may have begun to lift.

But the lead flashing is not where the water ingress entered the property, so I don't think this is relevant to the claim. From reviewing the evidence, it appears the storm conditions on the date of the loss blew the felt covering the flat roof off. And this is the type of damage I would expect to see. There's nothing I've seen that shows water entered the property due to the lead flashing below the dormer window failing.

So having considered the evidence provided, I'm satisfied that storm conditions were likely the main cause of the damage. And I don't think HCC has provided enough evidence to persuade me it's fair for them to rely on the exclusion for wear and tear. It follows that this means I think turning down cover for Miss S' claim was unfair.

What was the impact

I recognise the impact this complaint has had on Miss S. While I haven't detailed everything here, given its personal nature – I've considered everything Miss S has said. I don't doubt she's been very worried and upset as a result of discovering damage to her roof and the ingress of water to the back bedroom, especially given her health conditions. And I appreciate she took out the insurance policy with HCC to assist her in such a situation. So, when HCC declined to cover the claim, I can understand why she felt he'd been unfairly treated and chose to complain.

Because HCC declined the claim, Miss S has said her property has suffered further damage and that this has affected her both physically and emotionally. She's also provided photographs showing mould to the bedroom ceiling, which I'm satisfied would have been as a result of delays in fixing the storm damage. Miss S has also explained that she's had to use buckets to collect water coming into the property and this is ongoing as she can't afford to pay for repairs herself. And I'm satisfied that these additional issues wouldn't have happened if HCC had correctly accepted cover in the first instance.

Miss S has also explained that in having the claim declined, she had to take out cover with an insurer who charged a higher premium to reflect that there was outstanding damage from the declined claim. This policy also excluded any future cover for storm damage. I recognise it's difficult to know exactly what Miss R would have paid in premiums if she needed to take out cover with a new insurer at the end of her policy with HCC. And I also think having to declare a claim in any event would have had some impact on this price.

That said, I do recognise that an outstanding claim with no repairs being completed is likely to have caused a difference in price. So, in order to reach a fair and reasonable outcome, I think HCC should pay Miss S a sum of compensation of £150 to account for any unforeseen or unknown costs variables.

I've also thought about the handling of the claim in general. The storm occurred in December 2023 and was reported straight away. However, HCC didn't decline the claim with full reasons until June 2024. And they also initially told Miss S she would be covered for the internal damage, but then clarified she didn't have cover for this at all. I think this would have caused distress to Miss S in a loss of expectation.

HCC don't dispute there were delays and previously made an offer of compensation to reflect the impact their actions had. So, I need to think about whether that's enough compensation. But having thought about the impact to Miss S, I'm minded to increase the Investigator's recommended compensation amount from £300 to £750. I'm satisfied this reflects the significant impact HCC's actions had on Miss S in declining cover for her claim."

I concluded that I intended to direct HCC to deal with the claim as follows:

- Deal with Miss S' claim for roof and internal damage, subject to the remaining terms of the policy;
- Pay the cost of any reasonable repair works Miss S has already incurred upon submission of receipts evidencing payment. HCC should pay 8% simple interest on these costs from the date they were paid until they are settled; and
- Pay a total of £900 compensation.

Stephen Howard
Ombudsman