

The complaint

Mr L complains about how Protector Insurance UK proposed to settle a claim he made on a buildings insurance policy.

What happened

As a leaseholder, Mr L benefits from a buildings insurance policy with Protector. When he was notified of damage to his property by the tenants, he made a claim to Protector. Mr L thought the internal damage was caused by damage to the roof of the main building, something the local council were responsible for fixing.

Protector initially declined the claim. It thought the cause of the damage wasn't the damage to the roof, but the deterioration of sealant around the shower. It said water had been leaking from the shower over an extended period of time and that's what caused the damage. It said this meant the damage wasn't covered by the policy.

It was later accepted that there was damage to the roof, and the local council paid for the repair to it.

As a result, Protector reviewed its position, while Mr L's complaint was with us. It offered to settle the part of the claim it said could be attributed to the damaged roof. It offered to settle the claim by paying Mr L £5,797. It said there was still damage that it felt was caused gradually, and therefore not covered. And it said the loss of rent cover provided by the policy didn't apply to this claim.

Mr L wasn't happy with this and didn't accept Protector's revised position. He submitted costs higher than its proposed settlement and maintained Protector should cover his loss of rent.

Our Investigator thought Protector's proposed settlement was reasonable. She agreed the policy didn't provide loss of rent cover for this claim. She thought the main difference between Mr L's costs and Protector's settlement was repairs to the bathroom; something she thought Protector was reasonably not paying for in line with the policy.

Since that assessment, Mr L has told us he's received communication from Protector that it will consider a loss of rent payment. He's said he's sent it all the information and evidence asked for but heard nothing back. He's asked for an Ombudsman's 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.

Having done so, I also find Protector's proposed settlement of Mr L's claim reasonable.

It should be noted that in the scope of this decision, I've not considered Protector's alleged proposal to cover loss of rent or anything related to that process. This was a new event after our Investigator issued her assessment and therefore doesn't form part of this complaint. If

Mr L isn't happy with anything relating to that loss of rent payment, he may wish to complain about that to Protector. If he's not happy with its response, he may want to refer his complaint here, and that complaint might be one we can consider.

Turning back to this complaint, whilst I've considered everything each party has sent me, in line with our role as an informal service, I'll not be commenting on every argument or bit of evidence. Instead, I'll comment on what I consider key to the dispute.

Settlement of the claim

From everything I've been provided I'm satisfied Protector's proposed settlement of the claim is reasonable.

I understand Mr L thinks differently, but I'm persuaded that some of the damage claimed for related to the deteriorated sealant and grout around the shower. I think Protector are fairly saying that counts as gradual damage which is excluded from cover within the policy.

I understand Mr L thinks all the damage was caused by the damaged roof, but I've not seen anything to persuade me that's the case. As mentioned above, there's a report clearly stating the damage is caused by something else – and I find that more persuasive.

Like our Investigator, I'm satisfied the proposed settlement is fair and that the increased costs Mr L has present mostly relate to the damage to the bathroom, which Protector aren't paying for.

Loss of rent

As set out above, Mr L has said Protector have since contacted him to say it'll consider a loss of rent payment. We've not been able to confirm that and as mentioned, any delays in that process, or any settlement or payment in relation to that doesn't form part of this complaint.

When the complaint came to us, Protector said it wasn't considering loss of rent because the loss of rent cover only applied to sections 1-15 of the policy. It said this was being dealt with under accidental damage – section 26. That is what the policy says and that seemed a reasonable decision for it to make at that time.

I've no details on if or why it's changed that stance, so can't fairly make a further comment.

My final decision

For the reasons set out above, I uphold this complaint. To put things right Protector Insurance UK needs to:

- Settle Mr L's claim for damage to his property by paying him £5,797 if it's not already done so. Should any excesses be applicable to this, then Protector can deduct these in line with the policy terms if not done so already.

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

Joe Thornley
Ombudsman