

The complaint

Miss G complains that Accredited Insurance (Europe) Ltd (Accredited) unfairly declined a claim she made on a home insurance policy.

What happened

Miss G held a home insurance policy with Accredited. She made a claim after noticing a wooden beam was damaged, and believed the property had subsidence. Accredited appointed a surveyor who attended her home. They concluded the damage hadn't been caused by subsidence but was a result of wear and tear, and so her claim wasn't covered.

Miss G arranged for an engineer to oversee the repairs to the beam and in conjunction with the builder doing the repairs they concluded that the damage had been caused by overloading due to the weight of items placed on a floor above the beam.

After receiving advice, Miss G complained to Accredited. She thought her claim should be covered under the accidental damage section of her policy. When it rejected her complaint, Accredited said it didn't believe the circumstances fell within the definition of accidental damage.

As Miss G remained dissatisfied, she referred her complaint to our service. Our investigator thought Accredited had acted fairly. Miss G disagreed and asked for an ombudsman's decision.

My provisional decision

I issued a provisional decision on this complaint. I thought Accredited's decision to decline cover had been fair, but that its handling of the claim could have been better. I said it should pay Miss G £150 compensation to recognise this.

In considering whether the claim had been declined fairly, I said:

When it initially declined cover for Miss G's claim, Accredited referred to the exclusion in the policy for claims arising from wear and tear. The terms and conditions of Miss G's policy include a general exclusion, which applies to all sections of cover. This says there's no cover for *"Loss or damage as a result of gradual causes including wear and tear... [and] gradual deterioration (whether you were aware of it or not)."*

I can see from their report that the surveyor concluded the damage to the beam was a result of wear and tear. The report suggests the age of the beam and its failure was due to expansion and contraction over a significant period of time. It also seems to be accepted that Miss G was told by the surveyor the claim wouldn't be covered due to the policy's exclusion for wear and tear.

The engineer subsequently appointed by Miss G believed the damage had been caused by overloading above the beam. Miss G therefore asked Accredited to reconsider the claim, under the accidental damage section of her policy. The policy defines accidental damage as:

Sudden, unexpected and physical damage which:
i happens at a specific time
ii was not deliberate
iii was caused by something external and identifiable

Accredited has said the damage to the beam doesn't fall within the definition outlined in the policy. It said its surveyor said the damage had occurred over a period of time. I assume this means it doesn't consider the damage to have been sudden. I think the decision to decline cover for the claim was reasonable. I say this because irrespective of whether the surveyor's identified cause (wear and tear caused by contraction and expansion) or Miss G's appointed engineer's account (overloading above the beam over a period of time), this would have been occurring for some time. That means it doesn't fall within the reasonable scope of sudden damage which has occurred at a specific time – it's been occurring over a period of time.

In addition, even if I did think the damage had occurred suddenly, I'm satisfied Accredited could reasonably rely on the general exclusion I've highlighted above, as either method by which the damage occurred would, I'm satisfied, fall within the scope of gradual deterioration or wear and tear.

I'm aware Miss G has compared this situation to a leak of water causing damage over a period of time, but I can't address hypothetical situations or whether damage caused by a different source would be covered by the policy. I can only consider what's happened (or is believed to have happened) to cause the damage which is the subject of her claim.

In respect of the service provided during the claim I said:

I don't think the service provided by Miss G during the course of the claim was up to the required standard. I say this because Accredited's original decision to decline cover for the claim seems to have been based on the damage not being the result of subsidence but wear and tear. There's nothing to suggest that accidental damage (or any other section of cover) was considered, and I haven't seen that a written explanation of why the claim wasn't covered was given until after she made her complaint. It seems that she was told by the surveyor that the claim wasn't covered because of the wear and tear issue but Miss G's account suggests she wasn't clear on the reasons for this.

I also note that Accredited's explanation for why the claim wasn't covered as accidental damage also lacked any detail as to why it didn't fall within the scope of the policy cover. It doesn't address the engineer's contention that the damage was caused by overloading of the floor above.

It would seem to me that, until Miss G raised the possibility of the damage being covered under the accidental damage section of the policy, Accredited hadn't considered this or explored the possibility of cover beyond relying on the wear and tear exclusion.

I think if Accredited had properly considered all elements of the policy, it could have provided a more detailed explanation for why the claim wasn't covered and Miss G could have been saved the inconvenience of resubmitting the claim with new evidence, after receiving advice from a number of sources about her insurance cover. She'd have been clearer as to the reasons for why the claim wasn't covered, and while she'd have been upset at being told the claim wasn't covered, could have been prevented from being disappointed again when Accredited said it wouldn't cover the claim when she provided further evidence.

I concluded in light of this, Accredited should pay £150 compensation to Miss G for the distress and inconvenience caused.

The responses to my provisional decision

Both parties responded to my provisional decision. Neither party accepted my findings, albeit for different reasons.

Miss G said the amount offered as compensation was less than 1% of the costs she incurred to repair the damage. She detailed the lengths she'd gone to in order to provide evidence and challenge Accredited's decision to decline the claim.

Accredited disagreed with any award of compensation. It said there had been no indication of accidental damage until Miss G suggested this. It believed the claim had been handled appropriately.

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.

Neither response to my provisional decision gave any new evidence relating to Accredited's decision to decline cover for the claim. I assume from Miss G's response that she remains dissatisfied with this aspect of her complaint. I understand she believes the claim should be covered, and others have advised her to this effect. Having reviewed the circumstances of the claim and the relevant terms and conditions again, I do think Accredited acted fairly when it declined cover. This is for the same reasons I outlined previously.

Turning to the compensation I believed should be paid, I still believe this to be appropriate. It would seem to me the intention of Accredited appointing the surveyor to attend was to identify the cause of the damage. An alternative, plausible theory for the cause has been put forward which doesn't appear to have been considered or investigated. If Accredited's representative had done so, it seems to me that certain actions taken by Miss G could have been avoided or changed, for example the challenging of the decision to decline cover.

It seems inevitable that Miss G would have required the assistance of contractors to repair the damage, and Accredited isn't liable for this. However, the additional inconvenience caused to her by consulting others in order to obtain evidence to challenge Accredited's decision could have been avoided. I think additional upset has been caused by Miss G being told twice that the claim isn't covered, when this could have been dealt with by fully explaining the reasons why (whatever the cause of the damage) initially.

For these reasons, I remain satisfied Accredited could have handled the claim better. However, the primary reason for Miss G's distress here is the (fair) decision to decline cover for the claim. Accredited isn't liable for that, but is responsible for the additional inconvenience and upset caused by the poor communication around the decision to decline cover. I believe £150 compensation properly recognises this.

My final decision

I uphold Miss G's complaint in part. In order to put things right, Accredited Insurance (Europe) Ltd must pay £150 compensation. Accredited must pay this amount within 28 days of us telling it Miss G accepts our decision. If it doesn't, it must pay simple interest on this amount at a rate of 8% on this amount from that date to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 9 May 2025.

Ben Williams
Ombudsman