

The complaint

Mr H, and a limited company who I'll refer to as 'B', complain that HCC International Insurance Company Plc trading as Tokio Marine HCC ('HCC') unfairly declined a storm damage claim made under their property insurance policy.

Mr H is a director of B and brings the complaint on B's behalf, as well as his own as a leaseholder of one of the flats in the block. But for ease of reading, I'll refer to all comments and actions of Mr H as being those of B where possible.

What happened

B held a property insurance policy for a block of flats, underwritten by HCC. B reported that a storm in April 2024, with horizontal rain and high winds, had penetrated a rendered external wall, causing damage.

HCC considered the claim but ultimately declined to cover it. They said weather records showed wind speeds of around 46 mph at the time of loss, which they didn't feel would cause the damage B was claiming for. HCC also said their loss adjuster had identified cracks already visible in the render, including on publicly available 'Street View' images from October 2023.

HCC said the cracks looked at have worsened gradually, allowing water ingress over time; and so, they concluded the loss wasn't caused by a one-off insured event, but instead by gradual deterioration which was excluded under the policy. B felt this was unfair and raised a complaint to HCC; but they maintained their decision. B then brought the complaint to this Service.

An Investigator looked at what happened but ultimately didn't think the complaint should be upheld. She said she'd also reviewed weather data records closest to B's property and the wind speed around the time of the damage was 46mph, which wouldn't be considered high winds. And the Investigator said the damaged render wouldn't be consistent with damage typically caused by storm in any event. The Investigator also said she wasn't persuaded the weather B reported was the main cause of the damage, given the pre-existing cracks to the wall's render. And she concluded that, while the policy did cover accidental damage, there was an exclusion for damage caused by gradual deterioration or wear and tear.

B didn't agree with the Investigator's conclusions. Its main points were:

- B paid for an insurance policy and had a one-off issue during a storm coming from an area of the building it is very difficult to see. It was unfair not to be reimbursed for this.
- B said HCC had handled the claim slowly and caused delays.
- Mr H cut a hole in his ceiling to inspect the damage, which hadn't been repaired.
- B said HCC's surveyor was paid for by HCC and wasn't independent.

B asked for an Ombudsman to consider the complaint – so, it's been passed to me to decide.

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've reached the same overall outcome as the Investigator, and I don't uphold this complaint.

I should explain from the start that I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

The relevant rules and industry guidance say HCC should handle claims promptly and mustn't decline them unfairly. B's policy provides cover for damage caused by storm – but HCC says the weather data they have reviewed wouldn't cause the type of damage B is claiming for. Additionally, they say the existing cracks to the wall's render would have allowed water to enter the render gradually and therefore any damage would be due to wear and tear and not a one-off event. So, I've considered whether this was a fair and reasonable conclusion for HCC to reach.

The usual approach this Service takes when considering a declined storm damage claim is to consider whether storm conditions occurred, whether the damage claimed for is consistent with damage that a storm typically causes, and whether storm conditions are the main (or dominant) cause of the damage.

The policy terms and conditions do not include a definition of storm, either in terms of wind speeds, rainfall, snow, or other weather. However, I don't consider it necessary to make a finding on whether there was a storm or not, because I'm ultimately not persuaded the weather conditions are consistent with the type of damage reported or that it can be shown this was the main cause of the damage. This is because HCC's loss adjuster's report identified cracks to the wall's render, which they said had been present since at least October 2023, and had worsened over time and allowed water to enter the render gradually.

Additionally, HCC said they considered whether the policy's accidental damage section would apply, but they relied on an exclusion in the policy wording which said there was no cover caused by gradual deterioration or wear and tear. I can also see B's submitted evidence from its surveyor outlined the problem had been ongoing and said *"The cracks are of a size that will allow rainwater to enter the wall and cause internal damp problems and damage (which it has already done so) especially during windy and raining days."*

So, given the findings of HCC's adjuster's report is consistent with B's evidence, I'm satisfied the damage was more likely than not caused by a gradual deterioration of water entering the wall's render. And because this would be gradual deterioration and not a one-off event - it follows I'm satisfied HCC's position that the weather conditions weren't the main cause of the damage to the render was a reasonable conclusion to reach.

I can see B raised concerns over the time taken to consider the claim, so, I've looked at the overall timeline of the claim to consider whether I think HCC's service fell short. I can see B reported the claim in early August 2024, and HCC appointed a loss adjuster shortly after, at the same time an initial claim decision was issued. B raised its complaint around a month later, and HCC issued their final response around six weeks after that.

I don't consider this to be an example of an unreasonable period in which to investigate and issue findings, and I've also seen no evidence which persuades me HCC caused any significant or avoidable delays. The relevant regulations give HCC eight weeks to respond to a complaint, so I don't find it was unreasonable for them to respond within six weeks as they did here. Overall, I'm satisfied HCC fairly declined the claim in a reasonable amount of time.

Finally, I can see Mr H says he cut a hole in his ceiling and this hasn't been repaired. As this was required in order to assess the cause of damage, which was ultimately excluded from cover, I don't think this is something HCC would be responsible for putting right, as Mr H would always have needed to undertake this action.

My final decision

For the reasons I've outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B and Mr H to accept or reject my decision before 27 October 2025.

Stephen Howard
Ombudsman