

## **The complaint**

Mr M on behalf of S, a management company, has complained that Covea Insurance plc unfairly declined a claim under its commercial property insurance policy for damage to a balcony.

## **What happened**

S manages a block of three flats.

It made a claim to Covea after an ingress of water to the balcony of one of the flats was first noticed in January 2023. S said that had caused the wooden decking on the balcony to rot.

Covea appointed a loss adjuster to investigate the claim. The loss adjuster said that the most probable cause was a blocked drain which had allowed the terrace to become flooded with water. That in turn had led to the wooden decking becoming rotten. Covea rejected the claim. It said the balcony had been damaged due to gradual deterioration which wasn't covered by the policy.

S complained to Covea. It didn't change its decision to decline the claim. It said that S's policy didn't cover gradual deterioration or wear and tear.

S's representative also said that in his view storm damage was caused in September 2022 following torrential rain. Its representative said that when there is exceptionally heavy rain, the adjoining car park floods onto the rear fire escape and then onto the balcony terrace. He thought some vegetation had probably been carried onto the terrace by the flood water and blocked the drain. That had caused the timber to become saturated and it hadn't dried out due to limited airflow.

Covea said there was no evidence that the heavy rainfall on that date had caused the damage.

S referred its complaint to this service. Our Investigator didn't uphold it. She didn't think Covea had acted unreasonably.

As S didn't agree with our Investigator's view, the matter has been referred to me.

## **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.

No insurance policy covers everything that might happen to a building during the policy term. S's policy covers against damage caused by specified insured perils – such as accidental damage and storm. So if a claim is made for damage but the damage can't be attributed to an insured peril, then it won't be covered under the policy. It is up to the insured, in this case S, to show that the damage has been caused by an insured peril.

S didn't specify a particular peril when it made the claim. It sent Covea a report from its builder which said:

*"25 years erosion of the timber structure supporting the decking had become dangerous to walk on [sic]. Cause was water leakage from the rear pathway being trapped under the original decking tiles."*

The builder also said when the original lead flashing had been replaced across a boundary, it hadn't been evident that water was leaking onto the terrace and that had caused the wooden decking to rot.

Covea appears to have treated this as a claim for accidental damage. One of the exclusions for accidental damage claims is gradual deterioration and wear and tear. By its very nature rot is something which happens gradually. So I don't think Covea acted unreasonably in relying on the exclusion to decline the claim for accidental damage.

Storm damage is also possibly relevant as a peril. The term "*storm*" isn't defined in the policy. To agree that damage to a property resulted from a storm, generally we say the particular storm that caused the damage has to be identified. If it can't be identified, the insurer is not required to settle the claim. If the damage was caused by heavy rain over a number of years or months, taking a while to make itself apparent, it is not damage caused by a single identifiable storm and so not covered by the policy. I don't think it's enough as in this case to say that a storm occurred "*during the autumn/winter of 2022*" especially when it appears according to S's builder and the loss adjuster that the balcony had been getting flooded for some time after heavy rain.

In summary based on the evidence I've seen, I'm not persuaded that Covea acted unreasonably in declining S's claim.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 17 June 2025.

Elizabeth Grant  
**Ombudsman**