

The complaint

Mrs B complains that Ageas Insurance Limited (Ageas) declined a claim made under her home insurance policy.

What happened

Mrs B has a home insurance policy with Ageas. In April 2024 a section of the render on Mrs B's external wall came off, so she made a claim to Ageas.

Ageas ultimately declined the claim. They said the damage had been caused by a pre-existing gradually operating cause and referred to a policy exclusion for this.

As Mrs B remained unhappy, she approached the Financial Ombudsman Service.

After the complaint had been brought to this service, whilst Ageas said their claim decline decision remained, they made an offer to pay Mrs B £100 compensation for not making the policy cover clear when the claim was made.

One of our investigators looked into things and thought Ageas' offer of £100 compensation was fair. He thought Ageas had fairly declined the claim as he said an insured event (a storm as defined in the policy terms) hadn't occurred. He said he didn't need to consider the exclusion Ageas had referred to, as the starting point before considering an exclusion was whether an insured event had occurred, and he didn't think there had been.

So, the investigator didn't recommend Ageas do anything further beyond paying the £100 compensation they'd offered after the case came to us.

Mrs B didn't agree and asked for a final decision from an ombudsman.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm issuing a provisional decision. I'm minded to reach a different outcome to our investigator, so I'm issuing a provisional decision to give both parties an opportunity to comment on my initial findings, before I reach my final decision.

Our investigator said that Mrs B's insurance policy covered specific insured events known as 'insured perils'. He said that there wasn't a storm as defined in Mrs B's policy around the time of the claim and consequently an insured event of storm

hadn't occurred. He said that in the absence of an insured event of storm as defined, the claim wasn't covered by the policy, and consequently he said he didn't need to look at the policy exclusions referred to by Ageas.

However, I don't agree with the approach our investigator took here or his reasoning. I think he misunderstood the type of policy Mrs B has and he didn't consider the policy terms or cover correctly. I'll explain why.

The most common type of home insurance policy is known as an 'insured perils' policy. These cover a specific list of insured events, such as fire, flood, theft and storm. For a claim to be covered under this type of policy, the starting point is that a specific insured event needs to have occurred, and the onus is on the policyholder to show that. And if an insured event has occurred and the policyholder has shown that, then the next consideration is whether there is an exclusion which means the claim for that specific insured event isn't then covered. And it is for the insurer to show the exclusion applies. If there isn't an insured event in the first place, a claim wouldn't be covered regardless of any policy exclusions. This is how the investigator considered things, but this isn't the type of policy Mrs B holds.

Mrs B actually has what is known as an 'all-risks' policy. Generally, these cover the wider event of 'loss' and/or 'damage'. And any 'loss' and/or 'damage' is covered by the policy, unless it is specifically excluded.

The terms of Mrs B's policy confirm:

"We cover the following:

Loss or damage
Any loss or damage to your buildings, including:"

And it then goes on to list some examples of types of losses that might occur. It also then outlines:

"We do not cover the following

The General Exceptions shown on pages 43-44."

And then lists some other specific exclusions relevant to the buildings cover, including loss or damage caused by wear and tear and that occurs gradually over time.

So, the difference with this type of policy ('all-risks') vs an 'insured perils' policy (which is how the investigator incorrectly considered things) is that the damage being claimed for doesn't need to be caused by a specific insured event such as a storm, but instead, any loss or damage is covered unless it's otherwise specifically excluded.

Mrs B has shown damage has been caused to her render, as a section has fallen off, and that's not in dispute. So, this would then be covered by her policy - which covers "any loss or damage to your buildings", unless there is an exclusion in the policy which then defeats the damage claim.

It also appears to be the case that Ageas' appointed agent has also misunderstood the policy cover as the report they completed says:

“Peril Storm”

And:

“There was no one off storm damage present to the affected area. It appears that water has been entering behind the rough cast rendering due to cracking and has caused the rough cast to detached (sic) from the wall behind.”

And the following statement in the conclusion has been ‘ticked’:

“Not Covered (No Insured Peril)”

But as I’ve explained, this isn’t a ‘insured perils’ policy and instead is ‘all-risks’.

Ageas has said in the final response:

“(Name of Ageas’ appointed agent) have declined the claim on site on the basis that rendering cannot be damaged by high winds alone as render in a good condition has no points where wind can gain purchase and thereby damage it indicating that there must have been a pre-existing area of damage to the render to allow the wind to get under it and pull it off the wall.”

And:

“As the damage would have required a pre-existing gradually operating cause or degradation of the materials to have occurred, we are unable to assist you with the cost of the repairs.”

Ageas has then referred to the following exclusion in Mrs B’s policy when declining the claim:

“Loss or damage arising from:

- gradual causes*
- wear and tear (unless in relation to point 4 in Buildings cover, Trace and access)*
- corrosion, deterioration or similar causes”*

That general exclusion is in Mrs B’s policy. So, whilst ‘all-risks’ cover i.e. any loss or damage is covered as a starting point, there is an exclusion for gradual damage and wear and tear, which would mean that if damage was as a result of that, a damage claim wouldn’t then be covered.

However, to conclude that Ageas has fairly declined Mrs B’s claim, I’d need to be satisfied they’d shown that exclusion applied, and having considered all the information, I’m not minded to conclude they have.

I say this because the report completed is very brief and I don’t find it persuasive. The unattached section of render is visible, but I don’t think the images conclusively support there is significant wear and tear to the remainder of the rendering, and most importantly here, that wear and tear was the cause of the section of render becoming detached.

Instead, the render has sheared off in one section at the lowest point on the wall, which is raised with a gap between where the render starts and the floor. So, I think that wind could get behind that section as a potentially vulnerable exposed edge and

cause that part to have come off. Or there could have been impact damage caused by another object due to the wind at the time. Or it could have detached for other reasons too. But, of importance here, the exact cause of damage being known isn't required, as the policy only requires Mrs B to show damage or loss has occurred, which she has. And that's covered unless an exclusion applies – which needs to be shown by Ageas.

So, at this stage, Mrs B has shown there is damage, which is what her policy covers and is all that she needs to show she has a potential claim under her 'all-risks' policy which covers any loss or damage. The onus is then on Ageas to sufficiently demonstrate an exclusion applies to defeat the broader damage claim. But I don't think Ageas has done this.

With this in mind, unless anything changes as a result of the responses to my provisional decision, I'll be directing Ageas to deal with the 'damage' claim in line with the remaining policy terms.

I also acknowledge that Ageas has made an offer of £100 compensation for being unclear when the claim was made, and I may have concluded that was reasonable if I'd agreed that Ageas had reached a reasonable claim decision. But as outlined above, I don't think they have, and I think they've unfairly declined the claim, and this has caused Mrs B additional distress and inconvenience. So, unless anything changes as a result of the responses to my provisional decision, I'll also be directing Ageas to pay a total of £200 compensation (including the £100 already offered)."

So, I was minded to uphold the complaint and to direct Ageas to:

- Deal with the claim in line with the remaining policy terms
- Pay Mrs B £200 compensation (including the £100 already offered)

The responses to my provisional decision

Ageas responded to the provisional decision and provided an additional explanation from their surveyor which they said explained why they didn't believe it was storm related damage.

Mrs B said she was happy with the provisional decision and there wasn't anything further she wanted to add beyond what she'd said and provided previously.

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.

And I've thought carefully about the provisional decision I reached and the responses to it. Having done so, my final decision remains the same, and for the same reasons.

Ageas said in response to the provisional decision that they had asked their supplier to provide a more detailed explanation why they didn't believe it was "storm" related damage. However, as detailed in my provisional decision, Mrs B's policy doesn't cover specific perils such as storm, instead it's an 'all-risk' type policy. So, there doesn't need to be a specific event of storm in order for a claim to be made. I went into detail in my provisional decision outlined above about the differences between these types of policy, so won't do that again here.

In summary, Mrs B has shown there is damage, which is what her policy covers. It is then for Ageas to show an exclusion applies. I explained in my provisional decision why I didn't think Ageas had done that. And I'm still of that view after considering the additional comments provided by Ageas' surveyor:

"In our opinion the roughcast rendering has become detached after becoming bossed. This occurs over a period of time by water entering behind the rendering through cracking. Cracking to the render can occur due to it being an inflexible material and can crack due to temperature fluctuations. Water can enter through the cracks and expand during cold weather and cause the render to become detached from the original wall. In our opinion if the roughcast render is in good order it would not have become detached."

I accept that these additional comments are an explanation of what *could* happen. But I don't find this any more persuasive than the original comments from the time, which were of a similar nature, but aren't sufficiently supported by the images. As mentioned in my provisional decision, many other things *could have* caused the render to shear off in one section too. Ultimately Mrs B has shown damage has occurred which is what her policy covers, and it's for Ageas to show an exclusion applies, and I'm not persuaded they've sufficiently done that.

With the above in mind, my final decision remains the same as my provisional decision.

My final decision

It's my final decision that I uphold the complaint and direct Ageas Insurance Limited to:

- Deal with the claim in line with the remaining policy terms
- Pay Mrs B £200 compensation (including the £100 already offered)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 June 2025.

Callum Milne
Ombudsman