

## **The complaint**

Mr B complains about the way Advantage Insurance Company Limited handled a claim he made under his home insurance policy.

## **What happened**

Mr B had a home insurance policy with Advantage. In April 2024 he told Advantage there had been a sudden and heavy ingress of water into the main bedroom of his property. Mr B appointed a damp proofing company (company W) who provided a report into the damage and subsequently took action to repair it. Mr B made a claim on his policy but Advantage declined it. It said the evidence indicated movement in the structure of the property had damaged the damp proof membrane in the floor. It said rising damp doesn't constitute flooding and thought the damage was more likely a result of gradual causes. Mr B complained and provided further evidence in support of his claim that the damage had been caused by a flood.

In response to the complaint, Advantage maintained its position. It said its definition of flood was very clear and Mr B's claim didn't meet that definition. As Mr B didn't agree, he brought his complaint to this service.

Our investigator upheld Mr B's complaint. He was more persuaded by the evidence provided by Mr B. He noted that Advantage hadn't inspected the property and didn't think it had done enough to say the damage had been caused gradually. And, even if it had, he didn't think Mr B would have been aware of the damage occurring. He thought Advantage should reconsider the claim in line with the remaining policy terms and add 8% interest to any settlement amount.

Mr B agreed with our investigator's opinion, but Advantage did not. It provided further information in support of its contention that the damage hadn't been caused by flood but rather by a fault with the concrete floor slab the bedroom was built on. The investigator maintained his position and as Advantage still disagreed, the case was referred to me for a final decision.

I reached a different conclusion to our investigator, so I sent a provisional decision to Mr B and Advantage to give them an opportunity to comment. Advantage didn't reply while Mr B said he was disappointed but there was nothing more he could submit in support of his claim. So, my findings and my decision below are substantially the same as set out in my provisional 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.

I've kept my findings to what I believe to be the crux of Mr B's complaint. I'd like to reassure him though that I've read and considered everything he and Advantage have sent in. If I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or

thought about it, it's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

When a policyholder makes a claim, the onus is on them to show that an insured event most likely caused the loss or damage. Mr B's policy provides cover for loss or damage caused by an insured event or peril listed in it. For Mr B's loss to be covered, it would need to fall under one of those events (and not have an exclusion that means it's still not covered). If it doesn't, then the claim isn't covered and won't be settled. So, I first need to consider whether Mr B has shown that an event listed in the policy caused the damage.

Mr B's policy covers him for loss or damage caused by storm or flood. The policy covers him for other events such as fire and theft, but I've only considered storm or flood here as those would be the most relevant perils that *might* apply. It's been accepted by both parties that the damage wasn't caused by a storm. So, I see no need to consider that aspect here, particularly as I've seen no evidence to suggest weather conditions at the time Mr B made his claim would have met the policy definition of a storm.

As for flood, Mr B's policy defines flood as:

"Water from any source external to a building, which enters a building:

- a) at or below ground level; or above ground level, provided part of the body of such water is at ground level; and
- b) does so with a volume, weight or force which is substantial and abnormal.

For the avoidance of doubt the following do not constitute a flood:

- c) the gradual seepage or percolation of water into a building (such as rising damp); and
- d) water escaping from a water main, drain, sewer, pipe or other thing inside a building, unless such escape was solely the consequence of a flood falling in the above definition."

Mr B's policy emphasises the fact that it doesn't cover anything happening gradually, over a period of time. This is an exclusion in the policy terms which applies to all sections of cover.

Having carefully considered all the evidence, I'm more persuaded by Advantage's arguments than Mr B's. That's not to say I discount the possibility that the damage was caused by a flood, only that I think it's more likely, based on the evidence, that it was caused by other factors unrelated to storm or flood (the insured events the policy provides cover for). I know this will come as a significant disappointment for Mr B so let me explain why I've reached this conclusion.

Company W were the only experts to have physically inspected Mr B's property and I have therefore given a lot of weight to the evidence they provided. They inspected the property a little over a week after Mr B reported the damage to Advantage. They said the room affected was a bedroom in an extension to the main property. They said there were visible damp patches on the carpet and when they rolled the carpet back, there was water on the concrete slab underneath. They said there were cracks visible in the slab. And there appeared to be a join mark between the original concrete slab and the new slab in the extension. They said there was visible evidence to indicate some movement may have occurred, opening up a number of cracks in the floor slab and creating a vulnerable junction at the floor/wall intersection. They concluded by saying all the evidence indicated movement in the structure, which had damaged the damp proof membrane.

Advantage declined Mr B's claim in light of the evidence above, particularly the point made by company W that the damp proof membrane had been damaged due to movement in the structure of the building. I think that is a key point. Advantage said movement within the building's structure is more likely to be a result of gradual causes and so not covered under Mr B's policy. Mr B's policy does cover subsidence, which can occur gradually and potentially might not be subject to that wider gradual damage exclusion. But I've not seen any evidence that subsidence was determined as the cause of movement at this stage. And, as I've explained below, Mr B doesn't want Advantage to carry out any further investigations into that as he maintains it is flood damage.

Mr B countered Advantage's decision by saying he believes the damage to his property was more likely caused by a water surge from a build-up of groundwater in the surrounding fields. He pointed to comments from company W who said the rainfall and localised flooding was likely to have increased the hydrostatic pressure on the building which caused the damp proof membrane to fail.

In support, Mr B provided a Met Office assessment of winter 2024 which said rainfall totals were above average for all regions of the UK, with southern England particularly wet. He also provided an Environment Agency article on groundwater flooding, which explained that it can occur much slower than river flooding and will usually happen days, weeks or even months after heavy or prolonged rainfall. It said it was most common in areas where the underlying bedrock is chalk, although it can also happen in locations with sand and gravel. Mr B lives in South West England, in a rural location with sandstone bedrock. He said there were many instances of localised flooding throughout the winter of 2024.

Mr B has put a strong case forwards and I particularly acknowledge the evidence about groundwater flooding happening some time after heavy and prolonged rainfall. This would help to explain why there was no heavy rainfall around the time the flooding event was reported to have happened.

But I think the further evidence Advantage provided to discount Mr B's claim is persuasive. That includes comments from one of Advantage's senior engineers who provided several possible causes for the failure of the damp proof membrane, none of which included a flooding event. He concluded that the damage was most likely caused by differential settlement of the concrete slab, potentially as a result of tree root action or poor compaction of the subbase by the contractor at the time of construction. He was certain the damage wasn't caused by flooding.

Advantage also provided reasons why it thinks it's implausible that an increase in hydrostatic pressure could cause the sort of damage being claimed for here. It said concrete requires 3,500 to 5,000 psi of compressive strength or 350 or 500 psi of tensile strength before it fails. It said the volume of water needed to cause the cracks in the bedroom floor would be significant and would have caused a lot more damage than happened here. It didn't agree that a flood could cause the damp proof membrane to fail alone, unless there was an underlying reason for this such as subsidence or poor building techniques.

So, while both parties agree that the damage to Mr B's bedroom was seemingly caused by a failure in the damp proof membrane, they disagree on the cause of that failure. It had been a wet winter and Mr B has provided evidence to show that groundwater flooding can happen a long while after heavy rainfall. But I'm persuaded by the further information Advantage has put forward to discount the possibility that groundwater flooding would increase the hydrostatic pressure to such an extent to cause the sort of damage seen here. The fact that the only damage to Mr B's property occurred in an extension to the house, that there is evidence of movement in the concrete floor of that extension causing cracks to show, plus evidence to indicate this is unlikely to have been caused by a build up of hydrostatic

pressure, all leads me to favour the arguments put forward by Advantage.

Advantage has given a number of reasons for declining this claim, but the starting point should be whether or not Mr B has provided sufficient evidence, on the balance of probabilities, that the damage claimed for was caused by an insured event. And based on the evidence put forward by Advantage I think the damp proof membrane is less likely to have been damaged by a groundwater surge increasing the hydrostatic pressure on the building. And more likely by other factors unrelated to flood, such as ground movement or failings in the building techniques used to construct the extension.

So, I don't think Mr B has done enough, on the balance of probabilities, to show that flood was the cause of the damage he's claiming for. And I think Advantage has acted reasonably in declining Mr B's claim for damage caused by a flood.

For completeness I should add that Advantage asked for the opportunity to review the claim to clarify the cause of the damage and to see if it would succeed under another insured event. But to conduct that review, Advantage would need to carry out further investigative work. And Mr B has made it clear he doesn't want that. So, I don't think Advantage needs to take any further action for the time being.

### **My final decision**

In light of my findings 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 Mr B to accept or reject my decision before 2 July 2025.

Richard Walker  
**Ombudsman**