

The complaint

Mr H and Mr L have complained on behalf of T, a limited company, that Royal & Sun Alliance Insurance Limited (RSA) unfairly declined a claim under its property owners policy insurance policy for weather damage.

What happened

In 2020 T entered into a lease of a commercial property. Its landlord arranged the insurance at T's expense. At that time the property needed extensive refurbishment. Mr L says that work was carried out and finished by about May 2022 at a cost of £750,000.

In September 2022 T notified the managing agent that it needed to make a claim after a weather related leak caused a lot of internal damage. Due to delay on the part of the managing agent one of the directors funded the repair in order that T could continue trading. It replaced the main flat roof and lower flat rooves.

Once the claim had been notified to RSA, it appointed a loss adjuster to investigate. The loss adjuster thought the flat rooves had been in poor condition. RSA declined the claim relying on an exclusion in the policy for wear and tear. It said it understood that the refurbishment carried out by T didn't include any roof repairs.

T complained to RSA. It said it had a structural report from 2020 which didn't flag up any issues with the rooves. It said there had been no water getting into the property until a one-off incident in September 2022.

T brought its complaint to this service. Our Investigator didn't uphold it. They didn't think RSA had treated T unfairly by relying on the exclusion for wear and tear.

As T didn't agree, 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.

T had the benefit of an 'all-risks' policy. That means cover isn't restricted to a list of specific causes of damage, so the policyholder can make a claim for any loss or damage which isn't specifically excluded. In this case the policy excludes damage caused by (amongst other things) "*gradual deterioration wear and tear*". I have to decide whether I think RSA has applied the terms of the policy in a fair and reasonable manner when declining T's claim. Having reviewed everything available to me, I think it did. I'll explain why.

As the repair work was carried out before RSA became involved, it had to rely on the structural report on the state of the property in 2020 and photos provided by T. I agree that the structural report doesn't mention any problems with the flat rooves although it does say that it was concentrating on the most significant structural issues and wasn't intended to be comprehensive. What the report does show is that the property generally was in a very poor

condition when T took on the lease and this was reflected in the rent reduction it obtained. In fact the surveyor commented that the property “*appeared to have been left derelict for some time*” and there were various issues which “*have contributed to the general dilapidation of the property*”. It seems to me that it would be surprising if a building which was otherwise in a dilapidated condition throughout had flat rooves which had been well maintained.

From the images which I have seen it is clear that there had been some patch repairs to at least one flat roof. There are also signs of cracking which suggest that some general deterioration has taken place. There could be a number of other reasons for the leak but RSA only has to show that it is more likely than not that the damage was caused by wear and tear over time. Taking everything into account I think it has done that. I have reached my decision on a balance of probabilities – that is, what I think is more likely to have happened based on the available evidence and the surrounding circumstances. So I can’t reasonably ask RSA to do anything further to resolve T’s complaint.

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 T to accept or reject my decision before 10 July 2025.

Elizabeth Grant
Ombudsman