

The complaint

Mr M and Ms R complain that The National Farmers' Union Mutual Insurance Society Limited ('NFU') unfairly declined their property insurance claim due to a "wear and tear" exclusion.

Mr M and Ms R are professionally represented in this complaint. However, for ease of reading, I will refer to all comments made, or actions taken as being those of "Ms R" throughout this decision.

What happened

Ms R held a Home and Lifestyle property insurance policy underwritten by NFU. She raised a claim in December 2023 after noticing issues with her septic tank which wasn't draining properly. Ms R provided a report from a company - who I will refer to as "TRJ" in this decision - in support of the claim, which Ms R said showed the septic tank was physically damaged.

NFU appointed loss adjusters who in turn instructed a company, who I'll refer to as "A" in this decision, to attend and inspect the septic tank. A attended and inspected the septic tank in late January 2024 and then reported back in February 2024. However, in March 2024 the loss adjusters issued a repudiation letter which said the claim couldn't be covered as they believed the damage to the septic tank was excluded from cover due to wear and tear.

Ms R didn't agree with the claim being excluded from cover and said NFU hadn't provided any evidence of wear and tear. She said the damage was the result of an unexpected and unintended physical loss, and NFU would need to evidence there was wear and tear if they wanted to rely on a policy exclusion. She also said that the septic tank had an estimated lifespan of 25 years, and it was only 13 years since the tank was installed. Ms R felt this was evidence of the damage being unexpected and unintended. She raised a complaint to NFU.

NFU responded to the complaint in May 2024 and said they believed the cause of damage was gradual damage of the internal baffle arrangement to the point of failure. And under the terms of the policy, any damage which has been caused gradually was excluded. They concluded that Ms R would need to provide an independent report if she wished to dispute their decision.

In June 2024 Ms R instructed another inspection, from a company I'll refer to as "V" in this decision. She said that report showed the damage to the tank would require an external force and couldn't have occurred during normal use of the tank. Ms R presented the report from V to the loss adjusters for consideration. NFU reviewed the report from V; but ultimately maintained their rejection of the claim. Ms R remained unhappy with NFU's handling of the claim – so, she brought it to this Service.

An Investigator looked at what had happened but didn't recommend that the complaint should be upheld. She noted that there was no damage recorded during the last documented emptying of the tank and, having considered all of the available evidence, she

felt it was more likely than not the damage was something that had happened gradually over a period of time. She said as that would be classed as wear and tear it would therefore be excluded.

Ms R didn't agree with the Investigator's outcome. She said the damage to the tank was unexpected and unintended; and therefore, met the policy definition of damage. And she reiterated that the tank had an expected lifespan of 25 years, but it had only been installed 13 years ago. She said there was no evidence that the damage to the tank was due to wear and tear and as such the claim must succeed. She also felt the report from A was prejudiced as it reached a different conclusion than other reports it had issued on similar incidents.

As the complaint has not been resolved, 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 first set out that I acknowledge I've summarised Ms R's complaint in a lot less detail than she has presented it. However, in this decision, I haven't commented on each and every point raised, but instead I've focussed on what I consider to be the key points I need to think about to reach a fair outcome. I don't mean any discourtesy about this, it simply reflects the informal nature of this service. I assure Ms R, however, that I have read and considered everything she's provided.

When making a claim under an insurance policy, a policyholder needs to show they've suffered damage that is covered by the policy. If they can do that, then the insurer will be required to meet the claim unless they can rely on a valid exclusion to decline it. The onus then falls on the insurer to demonstrate why the exclusion applies. Under the terms of the policy, "damage" is defined as *"unexpected and unintended physical loss or damage"*. It's not in dispute that the septic tank is damaged, so the relevant test is whether NFU can show the exclusion for damage caused by "wear and tear" applies.

I've considered the available reports in this complaint, which are from TRJ, and V, (instructed by Ms R) and A (instructed by NFU). The reports from the parties aren't conclusive as to the exact cause of damage. So, my role is to decide which report I'm most persuaded by. I've address each in turn below for ease of reference.

The report from TRJ says:

"On emptying the septic tank, damage was clearly visible to the internal workings of the septic tank, the baffle has been completely dislodged, which in turn has resulted in solids entering the drainage field pipework and causing it to block."

I note that this report does not specifically outline what the cause of the damage was. The next report is from A, which says:

"The septic tank was noted to have a defective baffle. The baffle was found to be out of place and detached from its corner attachments holding the baffle's shape."

This aligns with the findings in the TRJ report, but it also goes on to say:

“From our inspection we would either regard the damage present to the baffle as either a result of impact from an external force i.e. from whipping of the emptying hoses during a routine emptying procedure, or via gradual deterioration of the baffle attachments which naturally weaken over time from the constant loading and emptying during the septic tanks normal operation.”

In respect of the first possible reason for the damage, i.e. during a routine emptying procedure, the report also says:

“...no damage was present during the most recent tank empty (in February 2023) and this was the last time that the system was accessed until the date of loss. Based upon the information provided, we conclude that it is unlikely that damage occurred due to an external force being applied to the system during emptying...”

The report then concludes that the damage probably occurred due to gradual deterioration of the baffle attachment points within the tank.

Finally, I've considered the report from V, commissioned by Ms R. That report said the baffles were noted to be distorted and separated at the corners. It went on to say that the damage observed could not have occurred during normal use of the tank and would require an external force. But the report also confirmed it could not provide a conclusive reason for the damage, and said several potential causes could be:

- Hydrostatic pressure due to water in the ground following excessive rainfall.
- Whipping/Lashing of hose during desludging.
- Force being applied on baffle from outside. i.e. vehicle travelling above, rod or instrument pushed into tank, etc.

I've not seen any evidence to support the first potential cause of the damage being due to excessive rainfall.

In respect of the second potential cause, this aligns with the findings in report A – but as it has been confirmed that no damage was reported during the last routine emptying of the tank in February 2023 – I'm not persuaded this is, on balance, the likely cause of the damage.

The final option says force could have been applied, either from a vehicle travelling above, or due to a rod or instrument being forced into the tank. I've considered the photos of the septic tank, and I can't see there is any accessible road above it. So, I think it's unlikely that damage occurred due to a vehicle traveling above it.

In respect of the finding that an instrument could have been forced into the tank – while this may align with the findings around damage occurring during routine maintenance – I once again refer to the fact that no damage was reported when the tank was last emptied, which I understand is a legal requirement.

I appreciate Ms R feels that the reports may be conflicting. But while they may not show a specific reason for the damage, having reviewed them, as well as the other available evidence, I think they are consistent in showing that the damage is more likely than not due to a gradual cause, rather than a one-off event. It follows that I don't find that NFU has made an unfair or unreasonable decision to decline the claim.

Ms R has also referred to another final decision issued by Service which was upheld; but this doesn't persuade me that it is reasonable to do so in this case. This Service considers each case on its own merits, weighing up the particular evidence provided by both sides.

And while I note Ms R says she feels the conclusions reached in A's report do not align with other reports they have authored – I am only able to consider the available evidence as part of this complaint and I am not able to consider third-party reports out of context or apply them to the circumstances of this complaint.

Conclusion

Overall, I find that NFU have based their decision to decline cover on the available evidence and I think that was a reasonable conclusion to reach. NFU sent suitably qualified experts to the property to assess the damage and then relied on those reports to reach the claim decision.

I'm also aware that NFU have offered to instruct a contractor to reattend the property, something Ms R disagrees with. I don't find this to be generally unfair given the findings of the reports I have considered. So, Ms R will need to consider whether she wishes to allow a further site visit to the property.

My final decision

For the reasons I've set out 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 M and Ms R to accept or reject my decision before 14 August 2025.

Stephen Howard
Ombudsman