

## The complaint

V, a limited company, complains that Great Lakes Insurance UK Limited ('Great Lakes') unfairly declined a claim it made under its property insurance policy.

Mr H, a director of V, brings the complaint on V's behalf. V is also professionally represented in this complaint.

## What happened

V held a landlord insurance policy underwritten by Great Lakes. V raised a claim in July 2024 and said water had penetrated the property's flat roof, causing internal damage. Great Lakes ultimately declined to cover it under the policy. They said they'd considered the damage under the insured peril of "storm", but noted that there hadn't been storm conditions, in line with the policy's terms, on or around the date of loss. Great Lakes also considered the claim under the insured perils for "escape of water" and "flood" but said that there was no cover either. They explained that the property's flat roof had suffered a sudden collapse as it failed from a natural breakdown of materials and wear and tear, which was excluded from cover. They also explained that there was no accidental damage cover under the policy. V remained unhappy with Great Lakes's response and raised a complaint, but Great Lakes maintained their position. V then brought the complaint to this Service.

An Investigator looked at what happened but ultimately didn't think the complaint should be upheld. He said he'd also reviewed weather data records closest to V's property and was satisfied there were no storm conditions reported that met the definition of storm in V's policy. The Investigator also considered whether the damage could be covered by the escape of water or flood perils but said as the flat roof was in a poor state of repair, the proximate cause of the damage was due to wear and tear, which the policy excluded.

V didn't agree with the Investigator's conclusions. Its main points were:

- Water had entered the property and caused damage.
- The damage should be covered under either the "flood" or "escape of water" perils, noting that water had escaped from the roof drainage system.
- There was no prior (or subsequent) ongoing issue with the roof, and no prior (or subsequent) ingress of water.
- The water damage internally didn't happen gradually, so it was unfair to apply the wear and tear exclusion.

V asked for an Ombudsman to consider the complaint – so, 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 explain from the start that I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

The relevant industry rules and guidance say Great Lakes should handle claims promptly and mustn't decline them unfairly. For any insurance claim to be successful, a policyholder must first show that they have a valid claim, meaning an insured event happened that caused damage or loss. Insurable events are listed in V's policy and reflect the fact that no policy covers everything that might happen. Only damage caused by one of the perils listed in the policy will be covered. If the damage can be shown to be caused by such an event, then Great Lakes would need to pay the claim unless they are able to rely on one of the policy exclusions to decline it. V's policy provides cover for insured perils such as storm, flood, and escape of water, so I've addressed these each in turn below for ease of reference.

### Storm damage

The usual approach this Service takes when considering a declined storm damage claim is to consider whether storm conditions occurred, whether the damage claimed for is consistent with damage that a storm typically causes, and whether storm conditions are the main (or dominant) cause of the damage. However, I don't consider it necessary to make an extended finding on this peril. This is because I have also considered the relevant weather data the Investigator outlined, and I can see that windspeeds were recorded at around 34mph at the time of the loss. V's policy defines a "storm" as "*Strong winds of...47 mph or more, usually accompanied by rain, hail or snow*". I'm therefore satisfied there were no storm conditions, in line with the policy's terms, at the time of the loss and it was fair and reasonable for Great Lakes to decline cover for the damage under this insured peril.

### Flood

In relation to cover for a flood, V's main submission is that the policy does not define what a "flood" is, and therefore that it should be interpreted as it is commonly understood and by taking into account the relevant law. In response, Great Lakes says that the damage was not caused by a flood, and instead says pre-existing damage to the roof allowed water to enter the property. Great Lakes appointed a loss adjuster that provided a report of the property which highlighted that "*...the flat roof to the rear had failed as a result of wear and tear*", and Great Lakes then relied on the following general policy exclusion which said damage to property was excluded when caused by:

*"a) Inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials..."*

I appreciate V provided a report from their own roofer from March 2024 which reported that the roof was in relatively good condition, but I place more evidentiary weight on the loss adjuster's report as it provides photos of the condition of the roof which supports its findings that the roof failed as a result of wear and tear. Therefore, having considered the available evidence, I'm persuaded that Great Lakes has demonstrated that the main reason the damage happened – what is known in insurance as the *proximate cause* of the damage, was because the flat roof failed due to wear and tear. This then set off the chain of events that led to water getting into the property. Even though water caused the internal damage, the roof's poor condition was the dominant cause, not a flood. V's policy also does not cover

accidental damage, so I'm unable to direct Great Lakes to consider the damage under this section of the policy.

### Escape of water

Great Lakes also declined cover for the damage under the escape of water peril. The policy says it will cover damage due to an “*escape of water from any tank, apparatus or pipe*”. The damage here was caused by water entering the flat roof, not as a result of water escaping from a tank or pipe. And while I appreciate V has said the water escaped from the roof drainage system, the water entered through the flat roof after it failed, not because water escaped from a tank, pipe, or similar system inside the property. I'm not persuaded that V's submission is the same as water escaping from a tank or pipe as described in the policy. Overall, I find that Great Lake's position that the proximate cause of the damage was that the flat roof's condition had deteriorated as a result of wear and tear, thereby allowing water to ingress the property, was a reasonable one to reach. And I therefore find that their decision to decline the claim based on the policy exclusion around wear and tear to be fair in the circumstances.

### **Conclusion**

I appreciate that this won't be the outcome V had hoped for, and I don't underestimate the impact this claim would have caused. But I'm satisfied that Great Lakes acted fairly in relying on the exclusion and I don't find that there is a fair or reasonable basis on which I can direct them to reconsider the claim or make any payments under the policy.

### **My final decision**

For reasons I have outlined 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 V to accept or reject my decision before 7 January 2026.

Stephen Howard  
**Ombudsman**