

## **The complaint**

Mr M has complained about the service he received from Admiral Insurance (Gibraltar) Limited (“Admiral”), following a claim for water damage to his property.

## **What happened**

In 2024, Mr M made a claim after he found that his home was damaged by water ingress.

He submitted, as part of his claim, a professional leak detection report, photo evidence of the water damage, and a repair quote which totalled £10,200. Despite this, Admiral declined the claim on the grounds that the damage was caused by rising damp, and this wasn’t covered under the policy Mr M held.

Mr M complained. He said Admiral had misinterpreted the leak detection report and that its decline of the claim meant he was now unable to fund urgent repairs to his property. In its response to the complaint, Admiral said two separate contractors had reached the conclusion that the damage was caused by rising damp. It said it had offered to undertake more tests but that Mr M had refused this.

Mr M didn’t accept Admiral’s response, so he referred his complaint to the Financial Ombudsman Service. Our Investigator considered the complaint, but didn’t think it should be upheld. She told the parties she wasn’t satisfied the damage had been caused by an insured event which was covered by the policy, and that even if it had been, it was likely excluded from cover due to a gradual cause exclusion.

Mr M didn’t agree with our Investigator. He said he’d wanted Admiral to pay for him to arrange his own surveyor to investigate further, but it refused to do so. As an agreement couldn’t be reached, the complaint has now been referred to me for an Ombudsman’s 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mr M and Admiral have provided. Instead, I’ve focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the ‘Insurance: Conduct of Business Sourcebook’ (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. I’ve kept this in mind while considering this complaint together with what I consider to

be fair and reasonable in all the circumstances.

To determine whether the claim has been unfairly declined, I've first looked at what the policy covers. Mr M's policy says it covers:

*"10) Water escaping from any:*

- *fixed water tank*
- *water pipe*
- *fixed central-heating system, or*
- *domestic appliance".*

The policy also specifically excludes *"water escaping from external pipes that are above ground"*.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide which risks it's willing to cover and will set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy. And when making a claim on an insurance policy, it is for the insured – so in this case Mr M – to demonstrate he's suffered a loss covered by the policy. If he can do so, then Admiral will need to accept the claim unless it can show it can fairly rely on a valid exclusion to decline it.

So the first step is to check if the claim falls under one of the agreed areas of cover. I've considered the evidence provided about the likely cause of damage. The leak inspection checklist dated 21 December 2024 confirms, *"No repair works required as the hot and cold pipes inside property are all fine including the water supply pipe. Customer does have an issue in front of bedroom where the wall is very wet and cannot ascertain the probable cause. Could potentially be caused by flood damage. Further investigation required."*

Admiral's report in January 2025 said: *"When the surveyor inspected the wall he observed that the damage was caused by Rising/Penetrating damp"*.

Another report was provided by Mr M, which said the water ingress was from external rainfall entering through failed render due to a compromised gutter bracket. As the report referred to periods of intense rainfall, I've checked the storm and flood provisions in the policy, as these would provide cover if the damage could fairly be described as flood damage or storm related damage.

The policy doesn't define what a "flood" is, so I've applied the everyday meaning of the term to determine whether or not I think a flood occurred here. When there's heavy rainfall and water gradually builds up in an area due to extreme weather conditions and causes external and internal damage, I'd expect to see some evidence of surface water pooling. None has been provided and any references to a flood have been unsubstantiated, so I can't say a flood was the likely cause of the damage. I've also checked the weather reports from around the time the damage was reported, and I can't see that there was any evidence of extreme weather conditions. I'm also therefore satisfied that the storm provisions in the policy wouldn't cover this damage either, as no storm occurred around the time the damage occurred. Further, the gradual deterioration of the render isn't consistent with a one-off storm event, as this isn't the type of damage a single storm event usually causes.

There's a further exclusion in the policy relating to gradual causes, which means that even if

an insured peril had caused the damage, the evidence I've seen still indicates that the damage was caused gradually rather than by a single event. This is supported by Mr M's own surveyor's report which confirms: *"The repeated water impact has damaged the render in this area"*.

I've considered all the points Mr M has raised in response to our Investigator's assessments. I don't consider the policy wording to be ambiguous or unusual in this case, and I don't think it was unfair for Admiral to decline the claim after one opinion – though I do accept its report could've included more detail. I do however think its offer to carry out further testing was fair.

Whilst Mr M has referred to the sudden abnormal failure of the guttering system during periods of heavy rainfall, I've seen no evidence that there was a single event which caused this to happen.

The sudden nature of the issue isn't confirmed by Mr M's surveyor either, who says:

*"When examining the guttering system directly above, I observed water staining below the 90 degree bracket, including a possible fault with the fascia bracket... During rain fall, this weakened bracket has allowed large amounts of water to pool down onto the buildings render, and due to the excess water being focused on a specific area of the render this has led to the erosion of the render and affected its integrity."*

As the surveyor has referred to a *"weakened"* bracket rather than a sudden breakage, and *"erosion"* which is primarily a gradual process, I'm not persuaded that Mr M has provided sufficient evidence to show that the damage was caused by a sudden rather than a gradual failure. So I'm not persuaded that an insured event has taken place or that any such cover wouldn't be excluded due to the gradual cause exclusions in the policy.

It follows therefore, that although I'm sorry to disappoint Mr M, I don't consider Admiral has declined the claim unfairly.

### **My final decision**

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 to accept or reject my decision before 26 February 2026.

Ifrah Malik  
**Ombudsman**