

The complaint

Mr O and Ms V complain about the way Great Lakes Insurance SE ('Great Lakes') dealt with a claim they made on their property insurance policy.

Mr O is the freeholder and named on the policy underwritten by Great Lakes. Ms V, as a leaseholder, was a beneficiary of that policy.

What happened

Ms V raised a claim in October 2023 following the discovery of damp in the kitchen of her property. Great Lakes appointed a loss adjuster to deal with the claim and investigative works were undertaken. Great Lakes declined the claim in March 2024 due to gradual deterioration. Ms V disputed this, and Great Lakes carried out further investigations. But

Ms V was unhappy with the progress of the claim and raised a complaint in July 2024 about delays. Great Lakes accepted that the claim had been delayed and offered £400 compensation. In November 2024, Great Lakes maintained their decline of the claim again and said the damage to the property hadn't been caused by an insured peril that the policy covered, which they said was supported by the findings of the leak detection survey. Ms V then raised a further complaint and maintained that the water ingress and resulting damage was due to her neighbour's planter and that she'd paid for a report to demonstrate this.

Great Lakes responded to the complaint in January 2025 but maintained their decline of the claim. They said they felt the cause of the damage was due to water penetrating through the brickwork of the kitchen through cracks in the brickwork that were due to gradual deterioration and that if Ms V may wish to take legal advice about a civil dispute with her neighbour if she maintained the damage was due to their planter. Ms V disagreed with Great Lakes's response and brought it to this Service.

An Investigator looked at what had happened and recommended the complaint should be upheld in part. He explained that he felt Great Lakes had evidenced why they had declined the claim fairly, based on the available evidence. But he did feel Great Lakes ought to have provided copies of the available reports when Ms V asked for them, and because they hadn't been provided, the Investigator felt Great Lakes had acted unfairly. He recommended that Great Lakes should pay £150 compensation, for a total of £550 across the two complaints.

Ms V didn't agree with the Investigator's findings. She said her complaint wasn't about the claim being declined, it was about how Great Lakes had handled it overall and maintained that the source of the damage to her kitchen was due to her neighbour's planter and she'd now commenced legal proceedings against him. She felt that, had Great Lakes undertaken their leak detection survey earlier, her neighbour likely would have removed his planter and she could have avoided further litigation costs. She also felt that if Great Lakes had provided the reports to her earlier, she could have used these to resolve the issue with her neighbour's planter earlier. Ms V asked for an Ombudsman to consider the complaint, and I then issued a provisional decision in which I said the following:

"I should first set out that I acknowledge I've summarised Ms V's complaint in a lot less detail than she has submitted it. No discourtesy is intended by this it simply reflects the informal nature of this Service. This means I only intend to comment on the points of the complaint that I consider to be relevant in order to reach a fair and reasonable conclusion. However, I want to assure Ms V that I have read and considered everything she's provided.

Since the Investigator issued their view of the complaint, Ms V has clarified that she is not complaining about Great Lakes decline of the claim, she is complaining about the way they handled it, and their delays. She's outlined that there have been delays in dealing with the claim and that Great Lakes has provided poor service by refusing to share the reports they commissioned. Ms V says if Great Lakes had provided these reports to her, she could have shared them with her neighbour who she says was prepared to remove the planter while undertaking major landscaping work. But as the reports were not shared with her, the neighbour is no longer willing to do this, and Ms V is currently engaged in legal action. She was also dissatisfied she'd had to commission an independent survey to provide this evidence herself.

Because Ms V has confirmed the claim decline is not the focus of her complaint, I will not make an extended finding here. Overall, I think that Great Lakes fairly turned down the claim. They explained in their final response there was no cover under the policy due to an insured peril and there was professional evidence which outlined gradual deterioration which was allowing water ingress, and I think it was fair for Great Lakes to rely on these reports. As such, the focus of my decision will be on two remaining complaint points. Whether Great Lakes ought to have provided copies of their reports to Ms V, and if so, whether this had a material impact on what happened during the claim.

In relation to the first point, I think it's important to note that this specific policy is not intended to provide ongoing support for civil matters. The core cover under the policy is to provide assistance in the event that an insured event occurs. And that means any reports they commissioned would be intended to allow Great Lakes to make a finding on whether a claim was covered under the policy or not, and not to support Ms V's legal claim against her neighbour.

That being said, I think Great Lakes could have provided these reports (redacted if needed) to allow Ms V to understand the findings that were being made. Because this didn't happen, I'm satisfied Ms V would have experienced avoidable distress and inconvenience and that a sum of compensation is appropriate in the circumstances. I will set out my recommended sum at the end of my findings.

In relation to the second point, while Great Lakes could have provided copies of the reports when asked, I'm not satisfied there is any persuasive evidence which demonstrates Ms V would be in a different material position if Great Lakes had provided the reports at an earlier stage. Even if Great Lakes had provided copies of the reports when she asked for them, there's nothing I've seen that demonstrates, on balance, these would have been sufficient to resolve the outstanding issues, which I understand is a historic issue dating back to 2008.

While Ms V says her neighbour changed his position to remove the planter after his landscape works were completed in October 2024, from what I can see from the history of the claim, she had her own commissioned report from October 2023 which supported that the planter was the likely source of water ingress. As such, while Ms V says she is engaged in legal proceedings against her neighbour at her own personal

expense, I'm not persuaded Great Lakes providing copies of the reports would have made a material difference to the outcome Ms V is now experiencing.

In respect of Ms V's own professional reports; I can see they comment on the cause of the water ingress which is consistent with the findings of Great Lakes's reports. But as these are reports that Ms V would always have needed to have obtained if she wanted them to make specific findings in relation to her dispute with her neighbour, I don't think they are costs I can fairly direct Great Lakes to reimburse.

Ultimately, the policy with Great Lakes did not cover the circumstances of the claim and Ms V was informed there was no cover as early as March 2024. And when she disputed this, Great Lakes undertook further investigations and commissioned several more reports, the result of which was a maintained decline of the claim which was issued in November 2024. I find that this was fair and proportionate and that Great Lakes acted reasonably in the circumstances.

In respect of Great Lakes providing copies of the reports, while I don't think there is enough evidence for me to safely conclude they would have made a material difference to Ms V's dispute with her neighbour, I do think she was caused some avoidable distress and inconvenience by having to request copies on more than one occasion.

I can see the Investigator previously outlined why he felt a compensation award of £150 was fair to reflect Great Lakes not providing copies to Ms V, and Great Lakes agreed to raise that sum. So, I need to decide whether that's enough compensation. I've weighed up Ms V's testimony, the available evidence, and the duration of the process.

Overall, I think the sum of £150 is appropriate in the circumstances so I won't be directing Great Lakes to increase this. I appreciate this may not be the level of compensation Ms V had hoped for, and it may not ultimately change matters for her, given her larger concerns with the ongoing litigation and costs. But I consider the amount of compensation offered to be a fair and reasonable outcome to this particular complaint."

I concluded that, having considered the complaint very carefully, I was satisfied Great Lakes fairly declined to cover the claim and their actions did not materially change the outcome of the claim. I invited both parties to provide a response to my provisional decision.

Great Lakes did not provide anything further for me to consider. Ms V provided a detailed reply, the main points of which were:

- Ms V said Great Lakes requested a report from her builder and agreed to reimburse the £350 cost of it but this had never been received.
- She said From October 2023 to November 2024 Great Lakes failed to carry out an appropriate survey which she said would have established that the damage was not caused by insured perils sooner.
- She said Great Lakes's failure to share the survey reports when requested added to uncertainty about the cause of the water ingress.
- She said she commissioned an independent report to provide evidence to her

neighbour, not to pursue civil litigation.

- She said she relied on verbal statements made by surveyors that Great Lakes would negotiate with her neighbour's insurers.
- She maintained that, had Great Lakes provided the evidence earlier, her neighbour would have removed the planter during planned landscaping works in 2023.

As both parties have now had the opportunity to provide a response to my provisional findings, I will set out my final decision below.

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 carefully considered Ms V's further comments following my provisional decision. And I appreciate she feels strongly that earlier provision of Great Lakes's reports would have changed the course of events. But I'm not persuaded that available evidence supports this and I haven't reached a different conclusion.

I've considered Ms V's comments about the timing of the claim and her neighbour's position carefully. However, I still haven't been provided contemporaneous evidence that demonstrates, on the balance of probabilities, Great Lakes providing copies of their reports earlier would have led to a different outcome. As I explained in my provisional findings, Ms V already had her own report from October 2023 which concluded the planter was the potential source of water ingress, yet the issue was not resolved at that stage. I therefore do not find the evidence shows Great Lakes's actions materially changed Ms V's present position.

In relation to the cost of her report of £350, I asked Great Lakes to comment on this and they explained that any payment towards reports obtained by a policyholder would only be considered if the damage was due to the presence of an insured peril. And because the claim was ultimately declined, the report Ms V provided did not evidence damage resulting from an insured peril, so no payment would be repaid for the associated report.

I've considered the emails Ms V provided in support of reimbursement of this sum and while bank details were discussed to see whether they could consider it, I can't see that there were any assurances directly from Great Lakes which said the cost would be refunded. I can also see the policy terms support what Great Lakes have confirmed in their response, in that costs will be refunded where they relate to proving cover under the policy. So, in combination with their explanation above, I am satisfied this is a fair conclusion and I won't be directing Great Lakes to make any payment in respect of the cost of Ms V's report.

My final decision

For the reasons I have set out above, my final decision is that I uphold this complaint in part. I direct Great Lakes Insurance SE to pay Ms V £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Ms V to accept or reject my decision before 4 March 2026.

Stephen Howard
Ombudsman