

complaint

Mr S complains about how CIS General Insurance Limited dealt with and settled a claim he made under his home insurance following the collapse of his ceiling.

background

Mr S held a home insurance policy with CIS General Insurance Limited (CIS). On 8 July 2018 the lath and plaster from Mr S' ceiling. This caused damage to his living room.

Mr S was unsure why his ceiling had collapsed – there was no sign of an escape of water from the room above. And he thought recent heat and dry weather might have caused his ceiling to fall in. So, he contacted CIS in order to make a claim under his home insurance.

CIS appointed a building surveyor "B" to determine the cause of the ceiling collapse and assess the damage to Mr S' living room. B attended Mr S' property on 11 July 2018 and, after it inspected his ceiling, it informed him that he had a valid claim for accidental damage.

On 12 July 2018 B's decision was reviewed and overturned. Mr S was told the attending surveyor had made an error in attributing the cause of the ceiling collapse to accidental damage. CIS told him his ceiling had, instead, collapsed due to defective materials. It explained that, because the ceiling collapse hadn't been caused by "*an external event*" that was "*unexpected and not deliberate*" as his policy required, his claim was being repudiated.

Mr S wasn't happy about how CIS was intending to resolve his claim. And he thought it had acted unfairly in overturning B's initial opinion on the cause of damage. So, he complained about how CIS had assessed his claim.

In CIS' final response to Mr S' complaint, it maintained its view that the cause of the ceiling collapse wasn't covered by his policy. It said B's decision about his claim had been incorrect. But this was only discovered following a review of the surveyor's report. CIS recognised that repudiating Mr S' claim after he'd been told it would be covered would have caused him distress and inconvenience. So, it compensated him by sending him a cheque for £100.

Mr S funded the reinstatement works himself and appointed a company called "P" to repair his ceiling. It told him it thought exceptionally hot weather had caused the ceiling to collapse. And it provided Mr P with a report, which confirmed that. Mr S sent this report to CIS. But it still wouldn't agree to meet his claim. So, he referred his complaint to us.

An investigator at our service assessed the evidence provided by Mr S and CIS. But they didn't recommend upholding this complaint. They were persuaded that the cause of Mr S' ceiling collapse was due to a failure of the lath and plaster. So, they didn't think CIS had acted unfairly in repudiating this claim. And they thought the £100 compensation it had already paid was a reasonable amount to cover the trouble and upset Mr S would have been caused by the incorrect claim advice he'd been given at the outset of his claim. But Mr S rejected our investigator's view of his complaint and requested an ombudsman's decision.

my findings

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 think the investigator has reached a fair outcome here. So, I'm not going to uphold this complaint. I'll explain why.

I'm aware that I've summarised the events of the complaint in rather less detail than they've been presented. I don't intend any discourtesy by this. It's a reflection of the informal service we provide, and if I haven't mentioned something, it isn't because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint. This approach is consistent with what our enabling legislation requires of me. It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral.

I'm sorry to hear about what happened to Mr S. I realise this has had a big impact on him. And I can appreciate how distressing it must have been for CIS to repudiate his claim. But while I emphasise with Mr S, my role is to assess whether I think CIS made a mistake, or treated him unfairly, such that it needs to now put things right.

There's no dispute that damage occurred to Mr S' property as a result of his ceiling collapsing. However, there's a dispute between Mr S, CIS and its appointed agents about the correct outcome of this claim.

Mr S would like CIS to reimburse him for the costs he's incurred in reinstating his property to its pre-loss state. And he feels his claim should be met under the accidental damage section of his policy. His policy with CIS provides cover for damage caused by a range of perils that might happen. These are specific one-off events and include accidental damage, for example. But, for a claim to be successful, Mr S would have to show that the damage he's claiming for was caused by one of the perils listed in his policy.

CIS considered whether or not the cause of the ceiling collapse was due to accidental damage. I think that this was reasonable because B's initial opinion was that the damage had been caused in this way.

The terms of Mr S' policy with CIS define accidental damage as "*physical damage that is caused suddenly by an external event and that is unexpected and not deliberate*". So, I can only direct CIS to settle a claim under the accidental damage clause if the damage has been caused in this way.

As I've already explained, when B attended Mr S' property on 11 July 2018, it attributed the cause of the ceiling collapse to accidental damage. B drafted a report confirming this was its opinion. But this is disputed by CIS as it believes the ceiling collapsed due to defective materials.

Mr S has raised concerns about the basis on which CIS overturned B's decision. He said CIS didn't visit his property. And he feels that, because it hasn't inspected the ceiling, its opinion of the cause of damage is less reliable than B's. I understand the point Mr S is making here but I'm not persuaded by his argument. I'll explain why.

I've seen the detailed report B compiled when attending Mr S' property, which includes many photographs showing the damage sustained. I'm therefore satisfied that the content of B's report would have enabled CIS to assess Mr S' claim without the need to visit his property.

I've carefully considered the letter from Mr S' builder and I can see they believe the ceiling collapsed due to exceptionally hot weather. But ceilings shouldn't fail because of hot weather. A correctly designed and constructed ceiling should withstand this type of weather.

And I think it's more likely, based on the evidence I've seen, that the ceiling collapsed due to defective materials – as CIS thinks.

Under the terms of Mr S' policy, where damage occurs as a result of "*faulty workmanship, defective design or the use of defective materials*" CIS is entitled to repudiate a claim. Mr S might think this is unfair but this exclusion clause is in common with most home insurance policies. This is because insurance is intended to cover the unforeseen, and damage caused by defective materials isn't unforeseen.

In the overall circumstances, I'm satisfied CIS acted fairly in attributing the cause of the ceiling collapse to defective materials. And I therefore think it applied the terms of his policy reasonably in declining this claim.

I can see Mr S told our investigator his neighbour's house was completely rebuilt, which has caused movement of his property. He's offered this as an alternative explanation for the cause of the ceiling collapse. But Mr S hasn't provided our service with a structural report, or any other evidence, confirming how his property has been affected by any of the work undertaken at his neighbour's house. I therefore haven't seen enough to persuade me that neighbouring building work is responsible for the collapse of Mr S' ceiling.

I'll turn now to whether CIS acted fairly in how it dealt with Mr S' concerns about the advice B provided about his claim.

Based on the available evidence, I can see that Mr S was informed of the correct claim decision within 24 hours of receiving B's advice that his claim would be covered under his policy. As I set out in the background to this complaint, this was brought about following a review of the attending surveyor's opinion on the cause of the ceiling collapse.

I can understand why Mr S is frustrated that B's decision about his claim was reviewed. But, as our investigator has already explained, it's not unusual for an insurer to review decisions made by the surveyors it appoints. And CIS has confirmed that its process is for surveyor reports to be reviewed once completed and received. I think that process happened without delay in this case.

As I'm satisfied the change in decision was identified and communicated to Mr S promptly, I'm persuaded the £100 compensation CIS paid him is a fair amount that's proportionate to the inconvenience and worry that he would have been caused here. It's in line with our approach in similar scenarios and it's what I would have told CIS to pay. I haven't seen enough to persuade me that a higher award is warranted. So, I won't be asking CIS to increase the compensation it paid to resolve this complaint.

I understand Mr S feels very strongly about the issues raised in this complaint. He's incurred considerable expense in repairing his ceiling and restoring his property to its pre-loss state. And I recognise that, in addition to this all impacting on him financially, it's caused him distress and inconvenience. But, overall, I'm satisfied CIS handled Mr S' claim fairly. It follows that I don't think it would be fair to require it to pay his claim.

This now brings to an end what we, in trying to resolve Mr S' dispute with CIS informally, can do for him. I'm sorry we can't help Mr S any further with this complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 February 2021.

Julie Robertson
ombudsman