

complaint

Mr S complains that U K Insurance Limited (UKI) hasn't agreed to pay a claim on his home insurance. When decorating he found dry rot, and believes it was caused by storm damage around two years previously.

background

Mr S insures his home with UKI. He has both buildings and contents cover. In 2017 he was decorating an upstairs room. When he lifted the carpet, he found dry rot. He commissioned an engineer to look at the rot. The engineer said that the dry rot was focused around the flue of an unused chimney. It had spread and caused damage to a ground floor room and the two bedrooms above.

Mr S claimed on his insurance. He said that about two years previously a storm had caused damage to his guttering. Because other properties had been damaged, it had been a couple of weeks before he could get it repaired. He believes that during this time rainwater had got into the flue and triggered the outbreak of dry rot. In the two years since it had spread unseen – the first time he could be expected to have noticed it was when he lifted the carpet in the bedroom, and as soon as he did notice it he made a claim.

UKI refused Mr S's claim. It said that it didn't cover dry rot. It said that it didn't think the dry rot was caused by a storm or other insurable event. It thought the degree and spread of the rot showed it had been developing for some time and was due to a gradually operating cause.

Our investigator looked at what Mr S had said. But he didn't think there was enough evidence to show that a storm or other insured event was the cause of the dry rot. So he didn't think the complaint should be upheld. Mr S therefore asked for an ombudsman to look at his complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr S's policy says that he's covered for damage caused by various events, including "*storm or flood*". It also includes cover for "*accidental damage to the buildings. Accidental damage is sudden and unintentional physical damage that happens unexpectedly*". But it also says "*we don't cover ... damage caused by rot*".

It's clear that Mr S's property has dry rot and has been damaged by it. The issue I have to decide is whether it's fair to require UKI to pay for the costs of repair.

The policy excludes dry rot, and so it's not something that – of itself – UKI is required to cover. However, it may well be fair to require it to pay the costs of putting right dry rot if it was caused by something else which *is* covered by the insurance.

Mr S says that the cause was a storm, which dislodged his guttering and allowed water to enter the chimney flue – triggering the dry rot. He wasn't at first sure when the storm took place, but has now pinpointed it as being in mid-December 2014.

I've checked the weather reports for Mr S's area. They show that, in the time frame he refers to, there were three days of storm conditions. But on each occasion, they were what is known as dry storms – in other words, conditions of high wind but not significant rainfall. There doesn't appear to have been high rainfall at any point in the timeframe referred to.

A further complication is whether or not the dry rot was actually caused by a storm. His engineer's report says:

"The source of the moisture responsible for the decay is apparently the rainwater conducting apparatus on the rear projection of the building. Although this looks well-maintained it is likely that damage may have occurred perhaps due to frost or storm. The water entering has entered the flue and this has allowed dampness to spread freely within the affected locations."

I'm afraid I don't find this persuasive. The word "apparently" in the first sentence suggests to me that the engineer is reporting what he's been told – not reaching his own conclusions. And the second sentence doesn't conclude that the rot was caused by a storm. It says damage *may* have occurred *perhaps* due to frost *or* storm. At best, I think this means that the engineer isn't ruling storm out as a cause – but I don't think he concluded that storm was the most likely cause either.

In order to uphold this complaint, I'd need to be satisfied that it's most likely the dry rot was caused by a storm. The storms Mr S has identified as damaging his guttering were dry storms, not wet storms. And his engineer doesn't conclude that water ingress following storm damage was the likely cause.

It does seem likely that water ingress of some sort – even if not caused by storm damage – was the trigger for the dry rot. So I've thought about whether that brings it within the terms of the policy, but I don't think it does. It would come under the heading of accidental damage. But that's defined as a sudden event, not something that happens gradually. And other than the storms I've referred to, Mr S hasn't suggested any single event as the cause of the water ingress.

In all the circumstances, I think the most likely trigger for the dry rot was a gradual build-up of moisture in the chimney flue over time. I agree that Mr S reported it to UKI as soon as he became aware of it – and he couldn't have been expected to be aware of it sooner. But the fact is that this isn't something that falls within the scope of his insurance policy, and so I don't think it would be fair to ask UKI to pay his claim.

my final decision

For the reasons I've given, 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 4 October 2017.

Simon Pugh
ombudsman