

complaint

Mr C complains that CIS General Insurance Limited ("CIS") has unfairly and unreasonably declined a claim under his home insurance policy.

background

Mr C had been experiencing an increasing damp problem at his home for a period of time and had undertaken a number of actions to try to solve the problem. It continued to get worse and he now has water in his sub floor area. Mr C made a claim to CIS to reimburse his existing financial outlay and to fix the ongoing problem.

CIS appointed a loss adjuster to review the damage and identify the likely cause. The loss adjuster concluded that the damp wasn't caused by an escape of water and that given its ongoing and recurring nature wasn't caused by a flood event. The loss adjuster thought that the damp was caused by a natural ingress of water.

Mr C's policy includes cover for flooding but excludes damage caused by a gradual rise in the groundwater level or anything that happens gradually. CIS declined Mr C's claim because the damage wasn't caused by any peril that is covered by his policy.

Mr C didn't agree with the decision. He couldn't identify the specific cause of the water ingress but he didn't think that it was a natural rise in the water table. CIS arranged for its loss adjuster to visit the property again. The loss adjuster couldn't find any other reason for the water ingress which was causing the damp. CIS concluded that the most likely cause was a rise in the groundwater levels.

Our adjudicator didn't think that Mr C's complaint should be upheld. He didn't think there was enough evidence that the damage had been caused by anything that was insured by Mr C's policy.

Mr C says that his policy should cover unforeseen events such as this and that no-one will take responsibility for his problem.

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 C's policy, like other insurance policies, doesn't provide cover for every event that could cause damage to his home – no matter how unforeseen. The policy provides cover against specific risks or 'perils' such as an escape of water inside the home or a flood.

It is agreed that the damage at Mr C's home isn't caused by an escape of water such as a burst pipe. The questions I have to consider are whether the water entering his home can be considered a flood and if so is it covered by his policy?

This service considers that a flood can occur where water builds up slowly and steadily. And I think that the build-up of water in Mr C's home could be considered a flood event as defined by this service.

But the cover in Mr C's policy specifically excludes cover for any flood caused by a rise in groundwater levels. To decline Mr C's claim under this exclusion CIS needs to show that this is the most likely cause of the flood and the damage. The reports from the loss adjuster indicate that it can't be certain of the cause of the water entering the home. But its best estimate is that a rise in the groundwater (a natural ingress) is the most likely cause.

On the balance of probabilities I am satisfied that the most likely cause of the flooding and the damage it has caused is a rise in the level of the groundwater which is excluded under the policy.

I recognise that it must be very stressful for Mr C to have this ongoing problem at his home. But I think that CIS has reviewed Mr C's claim fairly and that it is reasonable for it to reject his claim.

Mr C's policy does include cover for accidental damage to buildings. But this cover has the same exclusions as the buildings insurance and doesn't cover this type of flood event.

my final decision

My final decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 April 2016.

John Thornton
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