

The complaint

Mr and Mrs W complain about how Admiral Insurance (Gibraltar) Limited handled and settled a claim they made under their home insurance policy for storm damage.

What happened

Mr and Mrs W hold a household insurance policy with Admiral.

On 9 March 2022, they contacted Admiral to make a claim under their policy for storm damage. They said they'd noticed damage to their roof and had found some roof slates on their driveway. They also said the ceiling paper had come away from their bedroom ceiling as it was damp. They believed this had all been caused by a storm on around 18 February 2022.

Admiral registered Mr and Mrs W's claim and informed them that the waiting list for their contractor was around 12 weeks and that they could appoint their own contractor. Mr and Mrs W said, given the lengthy wait time, they'd find someone local to undertake the repairs. Admiral asked them to provide photographs showing the damage their property had sustained. It also requested quotes for repairs to the roof and ceiling.

Mr and Mrs W provided a quote of the repairs to their ceiling on around 25 March together with the requested photographs. Admiral acknowledged the information Mr and Mrs W had sent it and said it would await quotes for the reinstatement of the roof before it would proceed further with the claim. This was subsequently provided to Admiral by Mr and Mrs W. On 2 May 2022 Mr and Mrs W said they heard a thud and noticed their bedroom ceiling had collapsed. They provided photographs of the aftermath to Admiral and chased the status of their claim.

During a telephone call on 10 May, Mr and Mrs W say Admiral informed them that their quote had been accepted and it would cover the cost of repairs to their roof. They say they were told the policy excess would be deducted from their payment, which would reach them within around week.

Mr and Mrs W say they were subsequently informed that an error had been made during that call by the staff member they spoke with. Admiral said it had not said it had accepted the claim as it hadn't validated the information it had been provided but it agreed that it had erred in informing Mr and Mrs W that payment would be sent to them.

Admiral paid Mr and Mrs W £100 as an apology for what had happened. It also appointed a surveyor, which I'll refer to as "B" in this decision to assess the cause of damage and assist it in dealing with the claim.

Mr and Mrs W said they had to chase B for an appointment and the site visit took place on 21 June 2022. Mr and Mrs W were unhappy with B's conduct during its attendance at this property and disputed the content of the report it provided Admiral.

Within its report, B explained that it didn't think the damage Mr and Mrs W had reported had been caused by a storm as their policy required. And it pointed Admiral to online images of Mr and Mrs W's roof which it said showed that the roof had suffered problems with its tiling for over a decade. B therefore thought the damage had happened gradually. So, Admiral repudiated Mr and Mrs W's claim.

Mr and Mrs W complained about how Admiral had dealt with their claim. They felt it was unfair of B to rely on online images of their home without their knowledge and said there was no continuity during their claim as they would speak to a different member of staff each time they contacted Admiral. They also thought Admiral had acted unreasonably in declining to cover the damage to their property after informing them it would.

When Admiral responded to Mr and Mrs W's complaint it didn't think B had done anything wrong in using historic images that were available online to assess the claim and it said it wasn't possible for a policyholder to speak to a designated staff member each time they contacted the business.

Admiral said it accepted it had erred in telling Mr and Mrs W it would process their payment. But it disputed it had had informed them that their claim had been approved – instead it said they were told their quotes and photographs would need to be validated before it could confirm their claim would be covered.

Admiral said it didn't think it has made an error in repudiating the claim as it was satisfied that the damage Mr and Mrs W had reported had been caused gradually, which was excluded by their policy.

Being dissatisfied with how Lloyds had responded to their complaint Mr and Mrs W referred it to our service. Our investigator looked into what had happened.

They initially recommended upholding this complaint. However, following the receipt of further information from Lloyds, they reversed the initial uphold view. They thought Lloyds had acted fairly in declining his claim but recommended it pay Mr P an additional £100 in compensation to settle the complaint. Both Mr P and Lloyds disagreed with our investigator's view of this complaint. So, I've been asked to reach a decision as to the fairest way to resolve matters.

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'm aware that I've summarised the events of the complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I've concentrated on what I think are the key issues. I can assure Mr and Mrs W and Admiral that I've read everything that's been sent. So, if I've not mentioned something it's not because I haven't considered it. It's just that I don't think I need to comment on it in order to reach what I think is a fair and reasonable outcome.

My role is to assess whether I think Admiral made a mistake in deciding Mr and Mrs W's claim, or treated them unfairly, such that it needs to now put things right.

There's no dispute that damage occurred to Mr and Mrs W's property. However, there's disagreement between them, Admiral and its appointed agent about the cause of the damage and the correct outcome of this claim.

Mr and Mrs W would like Admiral to cover the damage to his property because they feel it was caused by adverse weather. Their policy with Admiral provides cover for damage caused by a range of perils that might happen. These are specific one-off events and include storm, for example. But, for a claim to be successful, the onus rests on Mr and Mrs W to show that the damage they're claiming for was caused by one of the perils listed in their policy.

There are three conditions that need to be met before this service would say a claim for storm damage should succeed. Those are:

1. Is there evidence that there was a storm around the date of the damage?
2. Is the damage consistent with what we would normally consider storm damage?
3. Was the storm the main cause of the damage?

I have re-assessed Mr and Mrs W's complaint and all the evidence with these three questions in mind. And I should also clarify that the answer to all three questions needs to be 'yes' for this service to be able to recommend that a storm complaint is upheld.

In weighing up the first question, I can see that Mr and Mrs W's policy defines the word 'storm' as:

"winds with gusts of at least 48 knots (55 mph), heavy rainfall of at least 25 mm per hour, snow to a depth of at least 30 cm in 24 hours, or hail that causes damage to hard surfaces or breaks glass."

So, I've thought about this definition when deciding whether there were storm conditions on or around the date that Mr and Mrs W say their property suffered damage.

They've pointed to a storm that occurred on around 18 February 2022. They think this was when damage was caused to their property. Weather reports relevant to Mr and Mrs W's locality show that the wind speeds of 55 mph were recorded on 18 February. As this meets the policy definition of a storm, I'm persuaded that storm conditions existed at around the date of the damage. It follows that I can answer question one affirmatively.

Turning to question two, I've thought about whether the damage claimed is consistent with damage a storm typically causes. Here, some tiles on the roof became detached and fell to the ground and there was water ingress within the interior of Mr and Mrs W's property. I'm satisfied that the damage reported is something that could be expected following a storm. I can therefore answer this question affirmatively.

For me to uphold Mr and Mrs W's complaint, I'd have to be satisfied on balance that a storm was the predominant cause of the damage they reported to Admiral. And, taking everything into account, I'm not persuaded the damage is consistent with a one-off storm event. I'll explain why.

Here, Admiral appointed B to provide an opinion on the cause of damage. The terms and conditions of Mr and Mrs W's policy with Admiral allow it to *"appoint loss adjusters or other experts, inspect damage and arrange for repairs or replacements"*. I'm satisfied B has significant experience of assessing building claims. So, it isn't unreasonable for Admiral to rely on B's expertise in assessing a storm claim.

The evidence I've seen persuades me that B visited Mr and Mrs W's property and inspected their roof and the repairs that had been undertaken to their bedroom by their appointed contractor. Having done so it observed that the timbers below the roof slates and sarking felt had rotted away, which isn't consistent with a one-off event.

In the bedroom, B noted damage to the lathe and plaster which is falling away. Black mould is present under the lining paper and the lathes are rotten. This is not consistent with a one-off water ingress incident and has been ongoing for some time.

I can see that when it assessed Mr and Mrs W's claim, B also considered historic images of their roof that were available online. I appreciate that Mr and Mrs W are unhappy that B consulted historic images of their roof – they say this breached their privacy. But the images B used are publicly available online. B is entitled to consider all the information that is available to reach an opinion of the cause of damage. And, from what I can see, it appears that B looked at these online images due to concerns that the damage was pre-existing, which I think is a reasonable step in assessing a claim.

Having seen the online images B used, I can see that the images of Mr and Mrs W's roof from 2012 depict a hole in the main roof and the same hole in the same area can be seen on images from 2019 and 2021. Mr and Mrs W haven't told our service they repaired their roof prior to the damage they reported in early 2022. So, I think it's reasonable to infer that the hole has been present since around 2012.

I understand that Mr and Mrs W incepted their policy with Admiral in 2016, which means the hole was, likely, present prior to them taking out their policy. It wasn't unfair for Admiral to inform Mr and Mrs W that pre-existing damage is excluded under their policy.

It's clear that Mr and Mrs W disagree with the B's opinion on the cause of damage. But I haven't seen any evidence that discredits its opinion. And, impartially, I think the photographs Mr and Mrs W provided support the B's opinion that the cause of damage to the roof was a breakdown in materials, which happened because of age-related wear and tear.

I'm satisfied that Admiral has shown our service cogent evidence, which demonstrates that the damage, most likely, occurred due to the pre-existing condition of Mr and Mrs W's property. I don't think the external and internal damage would have when it did had there not been previous roof damage present. So, I don't believe the storm was the dominant cause of damage. I think it's most likely the adverse weather that Mr and Mrs W experienced in mid-February 2022 highlighted the pre-existing condition of their roof and caused it to worsen.

Admiral's policy booklet makes it clear that loss or damage caused by wear and tear, a lack of maintenance or damage that's happened gradually over a period of time is specifically excluded under Mr and Mrs W's insurance policy. This is in common with most home insurance policies because insurance is intended to cover the unforeseen. And something wearing out or requiring maintenance isn't unforeseen.

Mr and Mrs W believe the internal damage to their property should be covered. But this isn't something that can be covered under any part of their policy including the accidental damage section. I say this because accidental damage is defined in Mr and Mrs W's policy as *"sudden, unexpected and visible loss or damage which has not been caused deliberately"*. As already explained, this damage occurred gradually. So, it can't be said to be sudden and unexpected.

As Admiral has shown that the damage that occurred isn't covered under the terms and conditions of Mr and Mrs W's insurance policy, I don't think its decision about their claim was unfair or unreasonable. And this means I can't fairly ask it to pay this claim.

Mr and Mrs W have also complained about the information they were given about the status of their claim. They said they were led to believe that their claim had been approved. I've

therefore carefully considered what they were told by Admiral to determine whether it gave them a false expectation that their claim would be met.

It appears that, on 10 May, Admiral informed Mr and Mrs W that their claim was accepted and payment would be made to cover the cost of repairs to their roof. But this was prior to it appointing B to provide its opinion on the cause of damage, which led to the repudiation of the claim.

Having listened carefully to the call recording from 10 May, I am satisfied that Admiral told Mr and Mrs W it would pay them their external reinstatement quote less the excess. Mr and Mrs W then queried when Admiral was intending to pay their internal repair quote for the ceiling reinstatement. It responded by informing them it would pay the full amount for this too. Mr and Mrs W provided their bank details to Admiral to facilitate an electronic transfer of the settlement funds.

While I'm satisfied that Admiral didn't act unfairly in declining to settle this claim, I'm persuaded that the call on 10 May would have created a legitimate expectation in Mr and Mrs W's mind that their claim had been approved and the costs of repair would be met by it. I think this was unfair because that wasn't what ultimately happened.

Admiral has acknowledged its error to Mr and Mrs W and accepted that it should have informed them their claim would need to be validated before a decision could be made about whether it would be able to settle their claim. It's already paid them £100 in compensation as an apology for what happened.

Having taken into account the impact of Admiral's error on Mr and Mrs W's, I'm persuaded the compensation already paid adequately recognises the distress and inconvenience they would have experienced here. This award is in line with awards made by this service in comparable circumstances and I haven't seen enough evidence to persuade me that a higher award is warranted. So, I won't be asking Admiral to increase its award.

I understand that Mr and Mrs W feel very strongly about the issues raised in this complaint and that they'll be disappointed with this decision. But it brings to an end what we, in trying to resolve their dispute with Admiral informally, can do for them. I'm sorry we can't help Mr and Mrs W any further with this.

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 W and Mrs W to accept or reject my decision before 19 December 2022.

Julie Mitchell
Ombudsman