

## **The complaint**

Mr O has complained about U K Insurance Limited's (UKI) decision to decline his claim under his home insurance policy for damage to his home.

## **What happened**

Mr O made a claim under his policy in 2019 after the kitchen floor in his home appeared to have sunk and caused some cracks in the internal walls. It seems that when he reported the claim Mr O said there had been a leak from the adjoining property about 10 years previously. UKI told Mr O it wouldn't take any further action until he could provide evidence of the cause of the damage. In 2023 Mr O provided a copy of a report from a surveyor produced in 2019 who'd surveyed the house adjoining his. This said there'd been substantial settlement of the kitchen floor in this property and that there was some evidence of differential settlement to the house itself, typical of the extent commonly found in houses of this age. It also said there were no obvious damp areas externally.

UKI sent out a loss adjuster to inspect the damage to Mr O's house. Mr O told the loss adjuster the builders had found leaks under the property next door. The loss adjuster simply said, while a leak had come from the property next door, any damage to Mr O's property would have been noticeable for some time. The loss adjuster also mentioned there was movement of the kitchen floor and cracking in some of the internal walls. He also said he'd inspected the outside of Mr O's house and there was no sign of any cracks suggesting downward movement of the house. And he provided photographs to demonstrate this.

After it received the loss adjuster's report UKI declined Mr O's claim on the basis Mr O hadn't provided anything to confirm what had caused the damage to his home. And it suggested he should get a local builder out to confirm what had caused it.

Mr O complained to UKI. It then issued a final response letter in which it suggested the damage was likely to be due to 'gradual depreciation' and was more of a maintenance issue. And it pointed out that Mr O's policy excluded wear and tear, maintenance and any damage caused gradually.

Mr O asked us to consider his complaint.

One of our investigators did this. He said UKI's decision to turn down Mr O's claim was reasonable in the circumstances.

Mr O has said he doesn't agree with the investigator's decision. And from what he's said it seems he can't understand why the damage to his home isn't covered by his policy when insurance is there for the protection of his home. And he also can't understand how the investigator made his decision without visiting the property.

As Mr O isn't happy with the investigator's view, his complaint has been referred to me for a decision.

## **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 would like to say at the outset how sorry I was to read about the extremely difficult time Mr and Mrs O have been through. And I appreciate how difficult it must have been for both of them dealing with the claim and not really understanding why UKI wouldn't accept it.

However, before I explain why I'm satisfied UKI's decision to turn down Mr O's claim is correct, I think I should explain that no home insurance policy covers all the damage that does happen or could happen to someone's home. A home insurance policy usually covers a set number of insured events or it covers any damage, but then excludes the things the insurer doesn't want to cover. And even policies like Mr O's with a list of insured events that are covered have exclusions stating that with some of the insured events certain things aren't covered. The reality is that owning a home does come with the risk of costs due to problems with it structurally or for other reasons; and it is simply not possible to insure against all of these.

I would also like to explain that as a service we are not set up to come out and inspect the damage at people's homes, like a claim handler or loss adjuster would be. We are set up to consider documentary and oral evidence provided by the parties to a complaint and to consider what is fair and reasonable in light of this. This is why the investigator issued his view on the outcome to Mr O's complaint without visiting his property.

Turning now to what Mr O's policy does and doesn't cover. To determine this, I've looked at the policy document that applied in 2019 when Mr O first discovered the damage to his home. UKI has suggested the 2009 policy document is the right one, as Mr O mentioned the damage may have occurred due to a leak at a neighbouring property in 2009. But I think the 2019 policy wording applies, as Mr O doesn't know when the damage to his home actually occurred and he first discovered it and claimed for it under his policy in 2019. This having been said, the relevant parts of the wording of the 2009 policy document are broadly the same.

As I've already mentioned, Mr O's policy covers certain insured events. These include damage caused by water escaping from any fixed water or heating installation, including underground drains and pipes. And it also covers damage caused by subsidence or heave of the site on which the home stands, or landslip. But the policy specifically excludes loss or damage to solid floor slabs unless the foundations of the home are damaged at the same time and by the same cause. It seems Mr O's policy also covers accidental damage to the building insured, but there are general exclusions in the policy for wear and tear, maintenance and routine decoration and any damage caused gradually.

UKI referred to the floor in Mr O's property having undergone substantial settlement and that there was some evidence of differential settlement to the house itself. I presume it has said this because the report Mr O provided on the property next door suggested this was the case with that property. However, UKI's loss adjuster did not mention this as the likely cause of the damage to Mr O's property. And UKI didn't mention the fact that the policy covers damage caused by water escaping from drains or pipes, so it is not clear whether it also considered this as a cause of the damage.

In view of what I've said, I've first considered whether there is any evidence of damage to Mr O's house caused by subsidence. And I don't think there is. It does seem the floor slab has moved downwards, but there is no actual evidence that this is due to downward movement of the site on which Mr O's house stands. And for the damage to his home to

have been caused by subsidence there would need to be downward movement of the site. And I think if there was, there would be cracking to the external walls consistent with this. But, while there is some internal cracking to the walls at Mr O's home, there is no cracking on the external walls. This suggests that the site itself has not subsided. This doesn't mean the floor slab hasn't dropped, possibly due to settlement, but whatever the cause of this might be, it does not appear to be due to subsidence.

Neither do I think there is sufficient evidence to say the floor slab has moved due to water escaping from an underground drain or pipes. I say this because if this had happened I'd also expect some downward movement of the site Mr O's home was on, which had caused cracking to external walls. And, as I've said there is no cracking evident to the external walls. And it clearly wasn't water that had escaped that caused the internal cracks in the walls themselves. So, I do not think it can be said the damage to Mr O's property was due to water escaping.

However, it is clear there is damage to the internal walls and to some of the fixtures in Mr O's house and possibly to the floor slab. And I think this can be classed as accidental damage. But I think it is right to say that it happened gradually, as Mr O didn't actually notice the damage until he looked closely. And cracks like the ones on Mr O's wall and the movement of fixtures in the way his have moved generally do happen gradually. And, as I've said above, the policy excludes any damage caused gradually. So, I don't think Mr O is entitled to claim under the accidental damage cover in his policy either.

So, in summary, while I do appreciate Mr O didn't really understand why his claim had been turned down, I think it was a reasonable decision by UKI and I hope now he does understand why it isn't covered.

This all means that, despite my natural sympathy for his and Mrs O's predicament, it is not appropriate for me to uphold Mr O's complaint.

### **My final decision**

I do not uphold Mr O's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 December 2024.

Robert Short  
**Ombudsman**