

The complaint

Mr and Mrs S have complained about their building warranty provider Accelerant Insurance Europe SA/NV UK Branch. They had problems with their roof and replaced it, but Accelerant wouldn't accept their claim made under the defects and damage warranty.

What happened

Mr and Mrs S's home was built in 2016. It had a ten-year warranty which began on the date of the build completion. For the first two years the warranty covered defects in the property, in its last seven years the cover available was/is for major damage caused by defects.

In December 2023, during a period of bad weather, Mr and Mrs S noticed water leaking into the upstairs bedrooms of their home. They had a contractor take a look. The contractor gave an indicative view on cost of £14,000 and, having put up some scaffolding, covered the roof, or at least some areas of it, with a tarpaulin. Mr and Mrs S told Accelerant this when they first notified it of their claim on the evening of 6 December 2023.

Accelerant replied the next day. It said the policy offered cover for major damage caused by defects. It provided a copy of the policy wording for Mr and Mrs S to review. Accelerant said it would consider the claim but would need evidence as to the cause of loss, such as a report from Mr and Mrs S's contractor.

A few days later, Mr and Mrs S said the expected costs had likely increased because tiles were breaking as they were being removed. They asked for advice on next steps. Three days later Accelerant said, as in its previous letter, it needed evidence as to the cause to allow it to review the claim.

Nine days after Accelerant's reply, Mr and Mrs S said work had been completed – the roof had been entirely replaced at a cost of £17,500. They said they were claiming for the cost of rectifying internal damage also, at a cost of £2,000. They provided an email from their contractor which said the roof, in a number of ways and places, had been defective.

Accelerant reviewed matters and said it couldn't assist under the warranty. It wasn't persuaded the loss was covered by the warranty and it felt Mr and Mrs S had breached the claims process set out in the policy wording. The latter having prevented it from considering things fully.

Mr and Mrs S were unhappy. They said they'd had no choice at the time but to progress with the repairs. They thought that as the roof was leaking in so many places, it was obvious it was defective and Accelerant should fairly reimburse their loss.

Our Investigator felt Accelerant had acted fairly and reasonably in declining the claim. So he did not uphold the complaint. Mr and Mrs S, re-emphasising their points previously made, asked for an Ombudsman's 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 absolutely appreciate that this significant cost incurred by Mr and Mrs S is worrying for them. I understand that this was a cost they did not expect to have to incur, particularly in respect of a house which was only built eight years ago. I also understand why they think Accelerant should be reimbursing them for their outlay – they have a defects and damage warranty yet have paid out of their own pocket to resolve defects and damage. However, I'm satisfied that, on this occasion, Accelerant's decline of their claim was fair and reasonable. I'll explain why.

The warranty provided by Accelerant does not offer cover for any damage howsoever caused, or any problem which might arise with a property, whenever that may be. Rather the warranty offers cover for defects only in the first two-years after it starts. There is no cover for resolving defects, unless a remedy is required to prevent imminent danger to health and safety, after the end of that two-year period. After the first two years, cover is provided for major damage caused by defects. Mr and Mrs S's claim was made in year eight of the cover. So even if Accelerant accepted their builder's view that the roof was defective in a number of ways, it's unlikely, unless imminent danger was established, it would have been liable for resolving, or covering the cost of resolving, those defects.

I understand that internal damage occurred because of the problems with the roof. That might have amounted to major damage under the policy – with major damage caused by defects covered by the warranty in years three to ten. But as with many policies there are definitions as well as exclusions to cover that apply. One important definition explains what Accelerant views as a "defect". I understand that Mr and Mrs S, and even their builder, felt the roof, in general terms, was defective. But that view wasn't reached whilst taking note of the specific definition for "defect" which applies to the warranty. Accelerant would have been able to consider that specific criteria, along with any other relevant definitions and exclusions to cover, had it been provided with the report before the work was done. It could also have taken the opportunity to visit the property to view the roof and any problems or damage.

The policy does set out a specific claim procedure. And it's usually important and reasonable for an insurer to be given a chance to review the claim details before work is undertaken by a policyholder. I understand there was bad weather occurring at the time Mr and Mrs S undertook their roof replacement. I realise they felt some pressure due to the seasonal period. However, I also note that some scaffolding and temporary protection had been put in place on 6 December 2023, with Accelerant replying to their contact quickly; asking for evidence as well as providing them with the policy wording which includes the claim procedure. Their contractor, I think, had an opportunity then to assess the roof and provide a report – if he had, with Mr and Mrs S passing it to Accelerant, I've no reason to think it wouldn't have quickly reviewed that and progressed the claim.

The fact that Accelerant wasn't provided detail of the loss until after the work had been completed has, I think, on this occasion, prejudiced its position to undertake a fair claim assessment. From the detail that is available, it is not clear that the problems with the roof would likely have been covered by the policy and given the detailed policy wording regarding the cover for major damage, it's not clear the internal damage would have been covered by it either. In the circumstances, with regret for the upset Mr and Mrs S will suffer because of the unsatisfactory financial position I know this decision will leave them in, I'm satisfied that Accelerant's decline of the claim is fair and reasonable.

My final decision

I don't uphold the complaint. I don't make any award against Accelerant Insurance Europe SA/NV UK Branch.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 19 December 2024.

Fiona Robinson
Ombudsman