

## **The complaint**

J complains that Zurich Insurance PLC unfairly declined a claim it made on its commercial property insurance policy.

Reference to Zurich includes its agents

## **What happened**

J holds a commercial property insurance policy with Zurich. After a storm, its property was damaged so they made a claim to Zurich.

Zurich declined the claim. It said the policy provided cover for damage caused by storm. It acknowledged there was a storm but didn't think this was the main cause of the damage. It thought wear and tear to the wall ties had compromised the structural integrity of the damaged wall. It thought that, as opposed to the storm itself was the cause of the damage.

J didn't think this was fair and complained. It thinks it's unfair to say the storm wasn't the cause of the damage, because without the storm, the damage wouldn't have been caused. It said there was no way of it knowing about the corroded wall ties and so couldn't have taken any action.

Zurich didn't change its stance, so J brought its complaint to this Service.

One of our Investigators didn't recommend it be upheld. He thought Zurich had fairly declined the claim in line with the terms and conditions of the policy.

J remained unhappy and 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.

Having done so, I'm not upholding it. I'll explain why.

- J's policy with Zurich covers it for damage caused by a list of events, or perils. The relevant one here is damage caused by storm.
- Storm isn't defined in the policy – but I don't need to dwell too much on this point. Ultimately, all parties agree there was a storm at the time the damage was caused.
- Our Service has an established approach when it comes to storm damage cases. Essentially, we need to consider three things:
  - Was there a storm?
  - Is the damage claimed for typical of damage caused by a storm?

- Was the storm the main cause of the damage?
- For a claim to be accepted, all three of the above questions need to be answered 'yes'.
- Here, the first two aren't in dispute. There was a storm, and Zurich accept the damage claimed for is consistent with that caused by a storm.
- What's in dispute is whether the storm was the main cause of the damage.
- Zurich doesn't think the storm is the main cause of the damage. It thinks the corrosion to the wall ties and the damage caused by that corrosion is the main cause of the damage. The reports clearly states that the wall ties have corroded over time with some having lost all integrity. The report states; *"Prior to the storm, the integrity of the flank wall was already fundamentally compromised by significant and widespread corrosion affecting the metal fishtail wall ties built in to the wall."* and that *"Corrosion of wall ties has resulted in significant expansive forces resulting in slight vertical movement in brick panels, sufficient to damage the bedding mortar bond between bricks. This has further weakened the wall structure."*
- I appreciate J's point that the damage would not have occurred were it not for the storm. But the damage would also not likely have occurred were it not for the corroded wall ties. Based on everything I've seen, I think Zurich's conclusion that the corroded wall ties and not the storm was the main cause of the loss is a reasonable one.
- It follows that I find its decline of this claim reasonable and in line with the policy terms – because the policy covers damage caused by a storm, and this damage wasn't fundamentally caused by the storm.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 12 December 2024.

Joe Thornley  
**Ombudsman**