

complaint

M, a limited company, complains about the way Covea Insurance plc ("Covea") dealt with two buildings insurance claims.

background

M is a residents association for a number of properties and made two claims against the policy held with Covea.

The first claim was in relation to a damaged balustrade and fallen roof tile. The second claim was in relation to the damage of a structural beam in the bay ceiling void of one of the flats.

Covea instructed a loss adjuster to inspect the damage. But it concluded the damage wasn't consistent with a one-off event, but rather occurred gradually over time. It said the issues relating to the first claim were likely to be as a result of the age of the property and proximity to the sea causing wear and tear. It said the damage to the beam in the second claim was due to historic and gradual water ingress which had caused the beam to deteriorate to sawdust.

Based upon the loss adjuster's report, Covea declined the claims. It said the cover was in place to protect against one-off identifiable events – not damage caused over time. It said there'd been no recently recorded storms that caused the damage, and it wasn't covered under the accidental damage protection.

M referred the complaint to our Service as it disagreed. It said that the building had been well maintained at great expense and the damage was notified to the insurer and soon as it was known.

One of our investigators reviewed the complaint. He recommended it shouldn't be upheld. He accepted the points made by M, and said it wasn't disputed that maintenance work had been undertaken on the building. But the damage had occurred over time and couldn't be pinpointed to a known incident that was an insured peril.

M disagreed. It responded asking what more could have been done to identify the issues other than complete the maintenance programme it had undertaken. It also said that the water ingress must have been as a result of storm damage.

As no agreement could be reached I've now been asked to review everything afresh and make a decision.

my findings

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've reached the same outcome as the adjudicator and for much the same reasons.

I've taken account of the points made by both M and Covea to conclude what I consider to be fair and reasonable in the circumstances. For me to uphold the complaint I must be able to say that I think Covea has done something wrong in assessing the claims made by M.

I'm satisfied it acted reasonably by instructing a loss assessor to inspect the damage to the building and make an assessment. It's not disputed what damage has occurred to the property, but rather what the reason for that damage is.

In respect of the damage reported under the first claim, the loss adjuster concluded water had got into the balustrade supports causing movement and it to become loose. It was suggested the likely reason for the fallen tile was a storm, but it couldn't be known when. The report also made reference to parts of the of the property which had fallen into a poor condition, and thought this was due to age related wear and tear, and the proximity to the sea.

M said the areas which had not been maintained are unrelated to the areas of damage claimed for. It has also explained the areas of corrosion relate to areas which have been deliberately abandoned and are planned for removal as part of the buildings maintenance plan. I accept this explanation, but don't feel it affects the outcome of the claim assessment.

It's not clear when the damage occurred, and Covea explained that there were no storms recorded around the time of claim that might have been the cause of the damage. I realise this will be frustrating, but M hasn't been able to show when and how the damage occurred, and so it doesn't fall within the requirements of cover under the policy.

The second claim for the damage to the bressummer beam was assessed as having deteriorated over time – and so was declined by Covea as a gradually operating cause, which isn't covered under the policy. The loss adjuster noted several of the structural beams had been completely destroyed to the point of becoming sawdust. It concluded this was a result of gradual water ingress, but also noted there was evidence of woodworm, dry and wet rot in other areas of the roof.

I'm satisfied this couldn't have happened suddenly as a result of a one-off event. And although it's clear there'd been water ingress, we don't know exactly how and when that had occurred. I note the comments made by M that the building was well maintained and what more could've been done to identify issues earlier. But whilst I understand and empathise with that position, I can't say Covea acted unreasonably in declining the claim.

In order for a claim to fall within the cover provided by the policy it's necessary to identify an insured peril that can be pinpointed to a specific event. Although it may have been difficult for M to identify any defects, I can't hold Covea responsible for that.

There may have been a storm or other insured event at some point in time causing an exterior crack or other damage allowing water ingress, and that's a point highlighted by M. But we can't say for certain, and the damage claimed for did occur as a result of gradual water ingress. That's not covered by the policy and so I'm unable to say Covea should do anything more.

my final decision

My final decision is that I don't uphold the complaint against Covea Insurance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 9 April 2018.

Ross Hammond
ombudsman