

The complaint

Mr and Mrs B complain about the settlement offered by Covea Insurance plc following a claim on their home insurance policy for storm damage.

Mr and Mrs B have been represented by a third party throughout this complaint, however for ease of reading I've referred only to Mr and Mrs B in this decision. All references to them include the actions of their representative.

What happened

Mr and Mrs B had home insurance with Covea. In February 2022 there was a storm that caused substantial damage to the property and outbuilding. They made a claim that was accepted. However Covea only offered a partial settlement for the roof of the property and the outbuilding, as it said there was pre-existing damage to both of these that wouldn't be covered under the policy.

It offered a contribution of £30,000 to cover the storm damage to the roof and £20,000 towards the damage to the outbuilding.

Mr and Mrs B weren't happy with this. They said the roof and outbuilding were in a good condition before the storm and this was demonstrated by the report carried out by the insurer before it agreed to provide the policy. They thought it should pay for the full repairs to both.

They made a complaint but Covea didn't uphold it so they brought it to this service.

Our investigator thought Covea had offered a fair settlement for the outbuilding, based on its expert's inspection of it. However she thought it should offer an additional £15,000 on top of the £30,000 offered for the roof as that would cover claim related damage.

Both Covea and Mr and Mrs B accepted our investigator's recommendations for the roof settlement. However Mr and Mrs B didn't agree with her findings on the outbuilding. They said that the report from Covea's expert following the inspection of it was flawed and misrepresented the true damage to the outbuilding.

As agreement hasn't been reached, the complaint has come to me to decide.

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.

Both Mr and Mrs B and Covea have agreed to our investigator's recommendations regarding the settlement for the roof. I am therefore satisfied that this matter is resolved and won't comment further on this issue. If it hasn't done so already, Covea should pay an additional £15,000 towards this settlement, as recommended by our investigator and previously agreed.

This means the only matter outstanding is the settlement for the outbuilding.

Covea has accepted there was a storm around the time of the damage. And that this caused damage to Mr and Mrs B's home, including the outbuilding. However on inspection, its expert concluded that there were some pre-existing issues with the structure that meant the damage caused by the storm was worse than it would have been if it had been in a better condition.

When settling a claim, an insurer is obliged to indemnify its customer for the damage caused by the insured peril. This doesn't include putting right issues that existed before the peril occurred. Especially where those issues meant the event caused more damage than it would have done otherwise. So it's reasonable that Covea assessed the condition of the structure before the storm, when calculating its settlement.

I've looked at the report provided by Covea's expert. It identified a number of issues with the structure that it said were pre-existing including:

- Downward movement caused by settlement that had caused distortion to the doors and an uneven floor.
- The structure was twisting which indicates it has been unstable since construction.
- Insufficient support at the base of the structure with rotting timbers supporting it.

However the report noted that there was some damage to the building that had been caused by the storm. And it provided an itemised list of this damage.

I note Mr and Mrs B have disputed the findings of this report. They've said the photos provided are misleading and some of the findings completely false. However as this report was provided by a structural expert who inspected the property I find it persuasive. And while Mr and Mrs B have disputed its findings, they've provided no expert evidence to show that it is incorrect. On that basis, I am more persuaded by the report. And I think Covea acted fairly by basing its settlement on that report.

Covea has also provided a scope of works for the damage that its expert identified as likely to be caused by the storm. This priced the work up at just under £18,000. Covea has offered a settlement of £20,000 to cover the storm damage for the outbuilding. As this is based on the findings from its expert report, and a fully priced scope of works, I think it has acted fairly in calculating this settlement.

I've also considered what Mr and Mrs B have said about the pre-inception report instructed by Covea. As they've said this didn't identify any problems with the outbuilding at the time. I've looked at this report however it doesn't change my position. A pre-inception report generally is for insurers to assess the sum insured on the policy is adequate and to understand the risk the insurer is taking on. The report carried out in 2019 makes very little comment about the outbuilding. And only includes one image taken from a distance. So I don't consider this a persuasive account of the condition of the outbuilding at that time. For these reasons, I agree with our investigator that Covea has offered a fair settlement for the outbuilding and I won't ask it to do anything differently.

My final decision

For the reasons I've given, I direct Covea Insurance plc to pay the additional £15,000 towards the settlement for the roof as it has previously agreed to, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 15 September 2023.

Sophie Goodyear
Ombudsman