

The complaint

Mr W complains Accelerant Insurance UK Limited unfairly declined a claim he made for damage to his roof under his workmanship warranty insurance.

What happened

Mr W had solar panels installed on his roof in 2013 and was given a guarantee for the works by the installer. He was also provided with a workmanship warranty insurance which would provide cover if the company who installed the panels ceased to trade. This was underwritten by Accelerant. In 2022 Mr W noticed an error message; indicating a fault with the solar panels. He understood the company who installed them had ceased trading and so made a claim to Accelerant.

Accelerant noted issues with the solar panels, but also the roof, which had been damaged. It said this was down to the way the panels were installed. Accelerant accepted the claim partially, it said it would pay for the damage to the solar panels, but not the damage to the roof. It said only the damage to the solar panels was covered under the insurance.

Mr W complained. He said the guarantee that was provided by the installation company included damage caused by the installation, not just damage to the solar panels themselves. So he thought the insurance policy should cover what the guarantee covered. Accelerant didn't agree to change its position, so a complaint was brought to this service.

Our investigator was satisfied Accelerant had acted fairly in saying the damage to the roof wasn't covered. She accepted that the guarantee provided by the installer provided wider cover, but as that company had ceased to trade, the only cover in place was that provided by the insurance policy, which only covered certain works.

Mr W didn't accept that. He said the definition of 'insured works' under the policy must be read alongside the guarantee he received when the solar panels were installed. He said if you do that, then 'insured works' also means the installation of the solar panels, not just the panels themselves. As the matter hasn't been resolved it 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.

As part of this complaint, Mr W has raised a number of different points. As this is an informal service, I've not responded to each one individually. Instead, I've focussed on those I consider to be key to the outcome here. However I want to reassure Mr W that I've considered everything he's said carefully when reaching my decision.

When Mr W's solar panels were installed, the company who carried out the work provided a workmanship guarantee for ten years. Covered in that guarantee was a term that said, should the company cease trading, an insurance policy would ensure that the guarantee would be honoured for the same period.

I've reviewed the terms of the insurance policy provided by Accelerant. It says it provides cover for the '*insured works*' which it defines as '*the small-scale renewable heat or power*'

generating system installed by the contractor'. I'm satisfied, based on reading this, that there is no cover in place for damage caused during the installation. A reasonable interpretation is that only the panels being covered. And later the policy says *'the insurer shall not be liable for...any loss or damage to the policyholder's property caused by the contractor that do not form part of the insured works'*. So as the roof, or the installation of the panels, doesn't form part of the insured works, Accelerant doesn't have to cover it.

I realise this leaves Mr W in a difficult position; he's been told the panels weren't installed correctly which has caused damage to his property. And he has no recourse against the company that installed them. But that doesn't mean his insurance policy needs to respond.

Mr W has said that in the policy document, it refers to the guarantee he had with the company, so he said the two documents need to be read together and if so, it's clear the 'insured works' also includes the installation, and not just the panels themselves. I've seen the copy of the guarantee he was provided. I accept this does say it provides cover for both the installation and the goods. But Mr W isn't making a claim on the guarantee. He can't make a claim to the installer under it as they're no longer operating. And I've no power to consider the wording of the guarantee because it isn't a regulated product, and so isn't covered by this service.

Because the installer has ceased trading, the insurance policy steps in. But it is for the insurer to decide what it will and won't provide cover for. At the top of the insurance policy document it says that the policy of insurance, key facts and the policy summary set out the terms of the contract between Mr W and insurer and should be read as one document. It doesn't refer to the guarantee other than to say that it wouldn't do any work not covered by the guarantee. But it doesn't say it will cover everything the guarantee did cover. As set out above it has its own definition of 'insured works'.

I realise Mr W feels strongly about this, but it wouldn't be fair or reasonable to require Accelerant to cover the roof repairs under his policy.

My final decision

My final decision is I'm not going to ask Accelerant Insurance UK Limited to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 December 2023.

Michelle Henderson
Ombudsman