

The complaint

Mr S complains International General Insurance Company (UK) Ltd ["IGI"] has unfairly declined a claim he's made on his structural defects insurance policy.

What happened

IGI is the underwriter of the policy, i.e. it's the insurer. Part of this complaint concerns the actions of IGI's agent, for which it has accepted responsibility. Any reference to IGI includes the actions of its agent.

The background to this complaint is well known to the parties, so I've included a summary here.

- Mr S owns a new build property which has the benefit of a structural defects insurance policy underwritten by IGI.
- Following heavy rain, Mr S found water ingress into one of the bedrooms which had resulted in damage to the ceiling. He initially made a claim on his household insurance but this was declined due to defective workmanship.
- Mr S then made a claim on his defects insurance policy and IGI appointed an agent to investigate and validate the claim. Following an inspection of the property, the agent concluded the damage was as a result of problems with the flat roof balcony of the floor above.
- IGI declined the claim and said two endorsements on the policy relating to damage caused by flat roofs and balconies applied and that meant the claim wasn't covered by the policy.
- Mr S complained to IGI but it maintained the decline decision. Mr S raised a complaint with this Service, but having considered all the evidence, our Investigator didn't uphold it so Mr S asked an Ombudsman to make a 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.

- When making a claim on an insurance policy, the onus is on the policyholder to show there is cover for the claim under the policy. When an insurer relies on an exclusion or an endorsement to decline a claim, the onus is on it to show they apply. I'll be considering the evidence in light of this principle while keeping in mind what I consider to be fair and reasonable.
- Mr S's structural defects policy doesn't cover every peril that might impact a property and this is common with many insurance policies. The terms of the policy set out what the parties can expect from the cover and I'm unlikely to tell an insurer it should

pay a claim that's not covered under the policy terms.

- IGI declined the claim saying the following endorsements, detailed in the certificate of insurance, apply:

"Any claim relating to or resulting from flat roofs are excluded under the policy cover.

Any claim relating to or resulting from balconies forming flat roofs are excluded from the policy cover"

- Having inspected the property, IGI's surveyor provided a report which concluded the damage was caused by problems with the balconies:

"There is only a very small narrow drainage outlet installed to serve each roof balcony. We found under foot-traffic, that the Astro turf was waterlogged and it appears that the terraced structure beneath could have been compromised...The water damage to the rear first floor bedroom is directly below the drainage outlet from the balcony that services the bedroom on the second floor level."

- Within the evidence on file is a copy of a surveyor's report from a prospective purchaser of Mr S's property. This includes the comment:

"The rear second floor balcony and the ground and first floor rear addition roof coverings have been poorly installed with noted water under the actual roof coverings and poorly installed flashings. These defects have led to leaking in the ceilings below".

- So, this report from a surveyor, independent of the parties, broadly agrees with IGI's view the cause of the damage is a problem with the balcony. I've not been given any other expert evidence to consider which attributes the damage to an alternative cause.
- Having carefully considered the expert evidence, I'm satisfied IGI has acted fairly in saying the endorsements relating to flat roofs and balconies apply and it follows it has also acted fairly and in line with the policy terms when it declined the claim
- I know Mr S doesn't think the policy should include the endorsements but this a commercial decision on the part of IGI and I'm satisfied it has applied them fairly in this particular case.
- For the reasons I've explained, I won't be asking IGI to do anymore.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 August 2023.

Paul Phillips
Ombudsman