

The complaint

C, a limited company, complains that Ageas Insurance Limited incorrectly rejected a claim on its buildings insurance policy and failed to notify it of the decision.

What happened

C owns a building which is divided into flats. In November 2022 during bad weather, water came into the building through the roof causing a lot of damage. C contacted its insurance broker, who notified Ageas of a claim.

C instructed a loss assessor to deal with the matter. The brokers contacted Ageas a few weeks later to say repairs to the roof had been completed. Ageas received a mandate signed by C giving the loss assessor's details for Ageas to communicate with the loss assessor.

Ageas instructed a loss adjuster to look into the claim. Correspondence followed between the loss adjuster and C's loss assessor.

C later contacted Ageas about the claim, saying it hadn't heard anything and wanted to know if the claim would be covered. Ageas then issued a final response saying it had looked into C's complaint and confirming that the claim would not be covered. Ageas said:

- it was for C to prove there was an insured peril and it hadn't done this as C hadn't proved the damage to the roof was caused by a storm; and
- it hadn't written to C with a formal decision but had corresponded with the loss assessor in line with the mandate provided that said the loss assessor was acting on C's behalf.

C complained to this service that Ageas had never sent a letter formally giving a decision on the claim and had provided a response to a complaint before any complaint had been lodged. C said Ageas had manufactured a complaint and it had never had the opportunity to discuss the matter with Ageas.

Our investigator considered the complaint but didn't think it should be upheld. C disagrees and has requested 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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim.

The policy provides cover for storm damage and there doesn't appear to be any dispute there were storm conditions at the time of the incident. The issue for me to decide is whether it was fair for Ageas to say C hadn't shown the damage was caused by the storm.

In the first instances it's for the policyholder to show there was an insured incident and to prove their claim. It's only once they have done this that the burden would then shift to the insurer to show it's entitled to rely on an exclusion or breach of a condition to reject a claim that would otherwise be covered.

Ageas isn't seeking to rely on an exclusion or breach of condition. It's not, for example, saying the damage was due to wear and tear, which is excluded. What Ageas says is that C hasn't proved its claim.

C instructed a loss assessor to deal with the issue. The loss assessor arranged for scaffolding to be put up and for repairs to be carried out. It says this was necessary as several contractors had inspected the building and said this needed to be done. I appreciate C needed to take steps to secure the property but it went ahead with repairs without input from Ageas. By the time its loss adjuster was able to visit, the work had been done. And there was no evidence to prove what had caused the damage – for example an expert's report or any photos or video evidence. The roofing contractors who inspected the building all said they couldn't say where the water was getting in.

On this basis, C hasn't shown there was storm damage. C says the roof was quite new, and has provided a building regulations certificate from a few months before in support of this. It says this shows the roof couldn't have suffered from wear and tear. But Ageas is not arguing that it was. It is simply saying there's no evidence confirming what caused the damage, and so no evidence of an insured peril. And Ageas says that as all the work was done quickly, without its involvement, it wasn't given the opportunity to inspect the damage or approve the work.

For these reasons I think Ageas' decision was fair; in relation to the damage to the roof, C hasn't proved its claim.

There was some internal water damage and Ageas has accepted C's claim in relation to that since the policy included cover for such damage. That's a separate issue and doesn't in itself show the damage to the roof was storm damage.

C is unhappy about the way the claim was dealt with and the lack of anything in writing from Ageas confirming its decision. C had authorised a loss assessor to deal with the matter and to receive communication from Ageas on its behalf. So Ageas corresponded with the loss assessor. It may not have sent a formal letter setting out its decision but there was email correspondence with the loss assessor where Ageas indicated its position. If that wasn't passed on to C I wouldn't hold Ageas responsible for that.

While Ageas could have confirmed its decision in writing to C, I don't see that the failure to do that has made any difference to C's position. C was able to raise a complaint and to put forward any information it wished in support of this. Ultimately it's for C to prove its claim and the crux of the matter here is that it hasn't done so.

C's representative has referred to the frustration caused by the way the claim was handled. Even if I found there was some distress caused by Ageas' actions, C is the complainant and as a limited company, it's not an individual who might suffer distress. So I couldn't award any compensation for distress even if satisfied there was some fault in the way Ageas dealt with things.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 6 September 2023.

Peter Whiteley
Ombudsman