

## The complaint

Mr B is unhappy with Society of Lloyd's ("SOL") decision to decline his claim under his home insurance policy.

Mr B is being represented on this complaint and so, any reference to him includes the comments of his representative. Reference to SOL includes the actions and comments of its agents and representative.

## What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

In August 2022, having returned home from a holiday, Mr B says he noticed wall cracks in the internal plaster of his property's front bay window, and the external render. His home insurer at the time was notified of a potential subsidence claim but said the damage likely related to an incident which happened in April 2020 – where a motor vehicle had impacted Mr B's property – and so, the matter was referred to SOL.

In November 2022, a loss adjuster attended Mr B's property and recommended the involvement of a Chartered Structural Engineer to oversee intrusive investigations in order to report on the probable cause of the damage. However, a month later, a civil engineer, concluded the damage wasn't the result of vehicle impact, saying:

*"It is our opinion that the front bay windows are moving and would not be due to any impact damage."*

In March 2023, a structural engineer attended, and concluded:

*"The cracking to the front of your property is not considered consistent with subsidence of the site, but rather a combination of differential movement of the front bay and side extension, loss of possible bond between render and masonry, freeze-thaw cycle affects to cracked render, and constant vibration from the main road."*

[...]

*"There is nothing [Mr B's] insurers can consider here in the absence of an insured peril operating"*

Mr B replastered the internal wall, but when cracks reappeared, brought a complaint to this Service asking for SOL's decision to be reconsidered in light of this new evidence. A site meeting was arranged between the parties to examine the damage, but the outcome of the claim remained the same, with SOL saying the damage wasn't the result of an insured peril.

An Investigator considered Mr B's complaint but didn't uphold it. She said Mr B hadn't demonstrated the claim was covered by the terms of the policy – which was his responsibility – and so, she considered SOL's decision to not carry out further investigations to be fair and reasonable. Because Mr B disagreed, the complaint has been passed to me for 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 key issue to be decided is whether SOL's decision to not carry out further investigations - because it was satisfied the damage *wasn't* caused by an insured peril – is fair and reasonable in the circumstances.

The starting point is that it's for Mr B as the policyholder to show the damage was caused by an insured peril. So, if he considers the damage to have been caused by subsidence or vehicle impact - the two causes he's put forward - there needs to be evidence to support his position. So, I've looked at the available evidence.

Following the site visit in July 2023, to re-examine the damage, the expert engineers agreed it wasn't indicative of subsidence or previous vehicle impact but was instead a combination of historical differential movement and other factors.

Of note, the engineer's report says:

*"There is no evidence of vehicle impact to the bay. We have dealt with many impact damaged claims and at the point of impact, damage is clearly visible and secondary damage can be seen to emanate from the point of impact. None of this was visible to suggest that current cracking is associated with vehicle impact. [...]"*

*"From our re-inspection, we remain of the opinion that cracking generally is considered to be combination of differential movement, loss of possible bond between render, cladding and masonry, [...] and remedial measures is associated with maintenance. [...]"*

With regards to movement, the engineer said:

*"Clearly from the visit in February 2023 to the visit in July 2023, the images show no progressive or widening of the cracks previously recorded. In fact, it is disputed that the cracking observed are the result of the vehicle impact but more associated with a combination of different causes of movement as described in our previous report."*

In their previous report, the engineer had said:

*"There is no indication that the pattern of movement and cracking is consistent with subsidence of the site. The cracking to the bay does not extend from the ground floor to the first floor. There is no drop to the drive that would be consistent with subsidence of the site."*

When I consider this, I'm satisfied the expert evidence more robustly shows why the damage isn't the result of an insured peril when compared to the argument put forward by Mr B. And whilst I appreciate a previous loss adjuster recommended intrusive investigations take place to determine the cause of the damage – which Mr B says supports his position – I'm satisfied there's been sufficient expert evidence after this date which shows why this was no longer deemed necessary. And so, I don't consider SOL not acting on this recommendation to mean it handled the claim unfairly.

I appreciate my decision will be disappointing for Mr B but in the absence of persuasive

expert evidence to the contrary, I'm satisfied it was reasonable for SOL to conclude Mr B hadn't shown the damage was caused by an insured peril. And so, I consider its decision to not cover further investigations to be fair and reasonable in the circumstances.

SOL has explained to Mr B that as things stand it's not able to give his claim further consideration but that if he instructed his own engineer (at a cost to him) to inspect and report on/carry out intrusive works, and this revealed the damage was attributable to an insured peril, it would consider reasonable repair costs stemming from these works. I'm satisfied this is a reasonable approach and so, I'll leave it with Mr B to decide whether he wants to take this step.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 May 2024.

Nicola Beakhust  
**Ombudsman**