

The complaint

Mrs B and Mr L say Great Lakes Insurance SE (GL) unfairly declined to replace a solar panel inverter under their buildings insurance policy following storm damage in 2021.

Reference to GL includes their agents.

What happened

The background to the complaint is known to all parties so I won't repeat it here in detail. In this decision, I'll mainly focus on giving the reasons for reaching the outcome I have.

Mrs B and Mr L's property suffered extensive damage following a storm in 2021. They complained about the way GL handled the claim which ran for many months. Our investigator reviewed the complaint and recommended GL takes action to put matters right in respect of the outstanding issues, and poor service experienced, amongst other things. All parties accepted the investigator's recommendations. However, Mrs B and Mr L say their solar panels aren't generating as much energy following the 2021 incident, and this only came to light a few months later. Mr L provided GL with an independent report and evidence he considers supports that GL should replace the solar panel inverter because it was damaged by the storm.

GL considered this but weren't satisfied Mrs B and Mr L had demonstrated the solar panel inverter was damaged as a result of the 2021 incident. Our investigator considered this but didn't recommend this aspect of the complaint be upheld. So, this aspect of their complaint was passed 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.

Our Service has a well-established approach to cases involving storm damage. We ask three questions:

- Were storm conditions present on or around the date damage occurred?
- Is the damage being claimed for consistent with damage a storm typically causes?
- Were the storm conditions the main cause of damage?

If the answer to all questions is 'yes', then it's likely I'd expect a claim to succeed. But, if the answer to any of these three questions is 'no', then it's unlikely a claim would succeed.

Mrs B and Mr L made a successful storm damage claim in 2021 after they reported a mini tornado hit their property which resulted in extensive damage. Around this time, Mr L says he inspected the panels but found no physical damage had been caused. Many months later, on a sunny day, he said the solar panels weren't generating as much energy as they once did. They say this was the result of the 2021 incident whereby sonic waves caused the solar panel inverter to become faulty.

Given all parties accept storm conditions were present on or around the time Mrs B and Mr L say damage occurred, it's fair to conclude the answer to the first question is yes – even though this wasn't identified until several months later.

Mrs B and Mr L provided extensive online research which they say supports a solar panel inverter can be damaged by the poor weather they experienced in 2021. I don't think that's in dispute here either, so I'll conclude the answer to the second question above is also yes.

The problem wasn't identified for some time. Mr L says he noticed something was potentially wrong because on a sunny day the system wasn't generating as much energy as it used to. He's provided some pre and post 2021 incident data I've reviewed, but I'm not satisfied this supports the system is now producing less energy as the result of the 2021 incident. I say this because the data doesn't appear too dissimilar pre and post 2021, and there are a host of other variables to consider – such as levels of sunlight, for example. And it's widely accepted that solar panels deteriorate over time. I appreciate Mr L says his system is producing less energy than the expected annual decrease, so I need to go on to consider the other evidence available here.

Mrs B and Mr L provided GL with an independent report. The purpose of this report was to inspect the solar PV system to look for signs of tornado damage. This concluded, broadly, that while there may have been some issues with the inverter, they couldn't be certain the 2021 incident was the main cause. Mrs B and Mr L say the independent engineer didn't have previous experience in assessing tornado damage. But I think it's fair to say they were best placed to assess whether the main cause of damage was the 2021 incident given they carried out an inspection on the system. And I find GL acted reasonably when relying on this in part to decide on whether to accept the claim.

All things considered, it's my opinion the answer to the third question is no. I'm not persuaded it was unfair or unreasonable for GL not to accept responsibility for replacing the inverter. I say this because I'm not satisfied there is enough evidence to conclude the inverter was damaged by the 2021 incident based on the information available to me. I note Mrs B and Mr L have provided extensive research to support their claim, and their independent engineer says the tornado was a cause for concern. But it's also fair – in my view – based on this and their research, to say it's plausible that a problem unrelated to the 2021 incident could have also caused the issues with the solar panel inverter. It follows I won't be directing GL to replace the solar panel inverter as part of the 2021 claim-incident.

I note Mrs B and Mr L paid £300 for the inspection to take place and say they were directed by GL to do this. This is fairly common practice in my view because it's for a policyholder to demonstrate they've suffered loss or damage as the result of an insured peril. I'd expect GL to cover this cost if it resulted in the claim being a successful one. But because I'm not satisfied GL declined this aspect of the claim unfairly or unreasonably, I won't be directing GL to take any further action here.

I accept my decision will come as a disappointment to Mrs B and Mr L. But my decision ends what we – in attempting to informally resolve the solar panel inverter aspect of their complaint – can do for them. I haven't commented on aspects of Mrs B and Mr L's other complaint points as the outcome recommended by our investigator was accepted by all parties.

My final decision

For the reasons I've given above, my final decision is I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr L to

accept or reject my decision before 16 October 2023.

Liam Hickey
Ombudsman