

The complaint

Mr and Mrs S complain Chaucer Insurance Company DAC unfairly declined their home insurance claim.

Chaucer's been represented by agents during the claim. For simplicity I've generally referred to the actions of those agents as being its own.

What happened

Mr and Mrs S made a claim against their Chaucer home insurance policy. Wood flooring had buckled. But Chaucer rejected the claim. It said the cause of damage didn't meet any of the 'perils' covered by their policy.

Mr and Mrs S weren't satisfied so complained to Chaucer. In response it said the decline decision had been made in line with the terms of their policy. The damage hadn't been caused by any of the events covered by the policy – including fire, storm, subsidence and water. It apologised for some delay when handling the claim – offering £50 compensation. Mr and Mrs S didn't accept that outcome, so came to this service.

Our Investigator found the claim had been fairly declined. He felt Chaucer's offer to refix flooring lifted by one its contractors was fair. He felt the compensation already offered was enough to recognise inconvenience caused by delay involved in the claim. As Mr and Mrs S didn't accept that outcome the complaint was passed to me to decide.

After the Investigator issued his assessment Mr and Mrs S raised concern at being charged an excess despite the claim being declined. This hadn't formed part of the complaint referred to this service. So the Investigator asked Chaucer for its consent for us to consider that issue in this complaint. It didn't provide it, so I haven't considered it here. If Mr and Mrs S would like their excess concern looked at they should complain to Chaucer first.

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.

Having done so, I'm not going to require Chaucer to pay Mr and Mrs S' claim or to do anything differently.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr and Mrs S and Chaucer have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure them that I have considered everything provided.

Insurance policies don't usually cover all causes of damage. Usually they only cover certain listed 'perils' or 'events'. Mr and Mrs S' is fairly typical of a home insurance policy in that it covers damaged caused by storm, flood, escape of water, subsidence, fire and so on.

Chaucer's referred to bad workmanship being the cause. It's not clear what has caused the floor to warp or buckle. However, the key concern of the claim, and this complaint, is to consider if the cause is one of the perils or events covered by the policy. Chaucer's taken reasonable steps, by inspecting the damage, to understand if the cause is one of those listed perils.

I've considered the available evidence. Having done so, whilst it isn't clear what is the cause, I'm not persuaded it is likely one of the perils listed in Mr and Mrs S' policy terms. There's no evidence of a water leak for example. So I can't say Chaucer's decision to decline the claim was unfair.

Chaucer's second contractor removed some of the flooring. As I understand it that was to remove a trip hazard. This was before Mr and Mrs S understood the claim would be declined. The insurer offered to reinstate that part of the flooring.

I accept that won't return the floor to its condition before it buckled. But Chaucer's offer is fair. I wouldn't expect it to do anything more, like returning the flooring to the condition it was in before the original damage. Chaucer didn't cause that damage. And as set out above it isn't covered by the terms of the policy.

The offer of £50 is enough to recognise the impact of an unnecessary delay caused by Chaucer during the claim. So I'm not going to require it to pay Mr and Mrs S anything more.

My final decision

For the reasons given above, I don't uphold Mr and Mrs S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 12 October 2023.

Daniel Martin
Ombudsman