

The complaint

Ms B complains that Ageas Insurance Limited have declined part of her claim following an escape of water at her home.

What happened

Ms B had a home insurance policy with Ageas. In mid 2018 she came home from a holiday to find an under-floor pipe had leaked causing water damage to the floor in the downstairs of her house. She arranged for the leak to be fixed and for drying to be carried out. In November 2018 she contacted Ageas to say that drying was now complete but that the water had caused damage to the property.

Ageas sent their contractor to put together a scope of works for repairs and arranged further drying of the property. After a few weeks, Ageas' agent reported that the property was not drying as they would expect. They said this indicated further underlying problems. They suspected there may be water trapped between the plaster and damp proofing in the walls, possibly from a leak from the guttering. They removed the dryers in order to conduct further tests.

Salt tests were carried out on the walls of the property. These tests detect minerals in the water to try and work out where it has come from. It detects either nitrates or chlorides. If chlorides are detected this suggests the water is from a pipe. If nitrates are present it is more likely to be from rain water which suggests an additional problem with damp. The test detected neither chlorides or nitrates. Ageas concluded that this meant the water in the walls was unlikely to be from the escape of water so wouldn't be covered under the policy.

Ms B instructed her own contractor to look at the water damage to the walls. He disputed Ageas' conclusion that the moisture in the walls was not connected to the escape of water. Ageas sent its agent out again to complete further tests. This time the salt tests detected nitrates in the water in the walls. They said this indicates the water was from a natural source. This suggests rising damp or a failure of the damp proofing. The agent recommended that the plaster is removed from the wall to allow it to dry before the walls are re-plastered.

Ms B's contractor disagreed with this approach. He agreed that the damp indicated that the damp proofing had failed. But said that any repairs would not be long lasting as the problem would occur again if the damp proofing was not replaced. He said the only way to provide a lasting repair would be to replace the damp proofing and build a concrete barrier in the walls. He also said it is likely the damp proofing failed due to the plaster not being removed by Ageas initially, meaning it retained the moisture. Based on this, Ms B complained to Ageas.

Ageas didn't uphold her complaint. It said replacing the damp proofing and building a concrete barrier wouldn't be covered under the policy as it would be making the property better than it was before the incident. It said the damp proofing in the walls was installed around 20 years ago and it usually lasts for about that time, so it would have come to the

end of its life and didn't fail due to the escape of water. Further it said as she didn't agree it would cash settle and end payments for her alternative accommodation.

Ms B didn't think this was fair and brought her complaint to this service. She also arranged for a second contractor to inspect the property to get their opinion on the damage. The second contractor said he agreed with Ms B's first contractor that the damp proofing had failed due to the plaster on the walls not being removed initially and retaining moisture.

Our investigator considered all the issues and recommended that Ms B's complaint is upheld. She said it is most likely that the escape of water caused the water damage to the walls. She said in order for this to be properly repaired, new damp proofing and a concrete barrier would be required. She also said Ageas should continue to pay for Ms B's alternative accommodation and pay £300 for the distress and inconvenience it had caused.

Ageas didn't agree with our investigator's view and asked for the complaint to be reviewed by an ombudsman.

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.

Ms B and Ageas disagree about what has caused the moisture in the walls of the property. In situations like this I need to consider what is the most likely cause.

Ageas have carried out salt tests on the water on the walls. It said that as nitrates were present this proves the water was from a natural source. I think it is likely these tests are accurate, as they are commonly used to detect the source of water in situations like this. However I don't agree that the fact that the water is from an outside source means that the damp in the walls is unconnected to the escape of water.

Ms B has explained that she has not had a problem with damp at the property before now. This is supported by her contractors and the photos they have provided. The property appears well kept with no signs of mould. However since the escape of water, the walls surrounding the damaged floor are all showing signs of rising damp. It seems unlikely to me that the property would coincidentally develop damp at the same time as an escape of water, with no connection.

Ms B's contractors have said that it is likely the damp in the walls has been caused by the plaster retaining water following the leak, which has turned the wall into a kind of sponge. They have also said this amount of moisture has caused the damp proofing to fail. I have considered this and it seems a likely explanation. The escape of water happened while Ms B was on holiday. As it was from an unused pipe under the floor, it may have been ongoing for some time without her noticing. This is reflected in the extent of the damage to her floors in the downstairs of the property. It seems likely that water damage of this extent would also have an impact on the walls of a property. Therefore Ms B's contractors' explanation seems more plausible than Ageas' claim that it is an existing, unrelated, damp problem.

Ageas have also said that damp proofing will usually last for around 20 years. As Ms B had the damp proofing installed around 20 years ago, it is likely to have reached the end of its life. I have considered this and I agree that the damp proofing would be approaching the end of its life. However, as no problems had been experienced up until the escape of water, it seems likely that this incident has sped up the deterioration of the damp proofing.

Further, I have considered whether repairs would be effective and long lasting if the damp proofing is not replaced. Ageas have agreed, as part of the settlement, to remove the plaster and dry out the wall before re-plastering. However as the damp proofing is no longer working, it is likely that further problems would occur in future if it isn't replaced. Therefore even if Ageas don't consider the failure of the damp proofing to be covered by the policy, in order to ensure an effective repair following the insured peril, sometimes additional work outside of standard cover will need to be carried out. In this case, I think the replacement of the damp proofing would be essential to ensure the repair was effective and long lasting.

For these reasons, I agree with our investigator that the replacement of the damp proofing in the walls and building a concrete barrier should be included in the claim settlement. I also agree that Ageas should continue to pay for alternative accommodation, including any back dated payments for weeks not paid to this point.

Finally, I have considered the distress and inconvenience the situation has caused Ms B. She has now been in alternative accommodation for a number of months. During this time she has been told that Ageas would stop paying for the accommodation as it believed the claim was settled. This would be very distressing for Ms B as she wasn't able to return to her home, so had to find the money to pay for the accommodation without knowing if she would get it back. I therefore agree with our investigator that Ageas should pay Ms B £300 compensation to make up for this distress and inconvenience it has caused.

My final decision

For the reasons I have given, I uphold Ms B's complaint. I require Ageas Insurance Limited to:

- Include the damp proofing and concrete barrier in all the water damaged walls in the claim settlement, subject to the remaining terms of the policy.
- Continue to pay for Ms B's alternative accommodation as previously agreed, subject to the terms of the policy. This includes backdated payments of any time that has not already been paid for. For any backdated payments, Ageas Insurance Limited should pay interest at 8% simple per year from the date the payment was incurred until the date it is paid.*
- Pay Ms B £300 compensation to make up for the distress and inconvenience caused. This should be paid within 28 days of us telling them that Ms B has accepted my final decision. If Ageas Insurance Limited pay later than this they must also pay interest on that amount from the date of my final decision to the date of payment at a rate of 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 28 February 2020.

Sophie Goodyear
Ombudsman