

The complaint

Mrs W is unhappy with how Lloyds Bank General Insurance Limited (Lloyds) has handled a claim she made under her buildings insurance policy.

What happened

In August 2019, Mrs W noticed sewage on her driveway, coming from around the drain cover, drain from a sink and washing machine. Mrs W's son-in-law contacted Lloyds and he was advised to contact a drainage specialist (who I'll call company D) who had carried out a repair for a similar problem a few months before.

Company D attended and said their repair was fine, so Mrs W made a new claim. Lloyds sent an engineer out to carry out an inspection. The finding from this inspection was that the underground pipes were pitch fibre and had decayed over time. Based on this, Lloyds declined the claim, it said the damage to the drain was not a one-off insurable event and had occurred over time. Mrs W's son-in-law felt the drain should have been covered under accidental damage clause as the damage was both "unforeseen and unintentional".

In order to put things right, Mrs W wants Lloyds to accept her claim and reimburse her the cost of the repairs she paid out.

Our investigator didn't uphold the complaint, so this matter has been passed to me.

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.

Lloyds declined Mrs W's claim and relied on the following term:

"What doesn't this policy cover...A gradually operating cause. This is something that happens gradually over a period of time, for example corrosion, damp, condensation, decay or decomposition..."

It's accepted the pitch fibre pipes are badly damaged. The report from Lloyds' engineer says the pipes were "deformed and blistered" and indicates there is significant damage to several meters of the drain pipe. The deformed pitch fibre pipes are also noted in the reports from the repair carried out early in 2019. I think this indicates the damage to the pipes wasn't accidental or as a result of a one-off event, and therefore was more likely to have occurred gradually.

Mrs W's son-in-law says the damage should be covered under the accidental damage clause in the policy. I've induced the definition of accidental damage cover below:

"Accidental damage to services (underground cables, pipes, drains, tanks and their inspection covers serving your home and for which you are legally

“responsible).”

In this case, the evidence provided indicates its more likely the damage to the pitch fibre pipes has occurred gradually, leading to the pipe blistering and being deformed. The evidence I've been provided with indicates the damage to the pipes wasn't accidental, so I think Lloyds is entitled to decline Mrs W's claim on the basis the damage happened over a period of time.

Mrs W's son-in-law says the gradual damage exclusion in Mrs W's policy was a general exclusion. And given pitch fibre pipes are known to be made from a material that gradually deteriorates, he considers there ought to have been a specific clause in Mrs W's policy terms so they could have considered their options when renewing the policy. However, it's not within my role to tell an insurer on what basis they should offer cover to customers. My role here is to decide if Lloyds acted fairly in declining Mrs W's claim. And I'm satisfied it did for the reasons I've set out.

I'm aware the decision I've reached in this case will likely come as a disappointment to Mrs W. But I hope she can understand why I've concluded this is a fair outcome for the reasons I've explained.

My final decision

I don't uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 6 August 2020.

Emma Hawkins

Ombudsman