

The complaint

Ms L and Mr R are unhappy with how Ageas Insurance Limited (“Ageas”) settled their claim on their property insurance policy following a leak. They’ve said it unfairly declined to cover their claim in full.

Another Ombudsman has already decided Ms L and Mr R brought the complaint to our service in time. So this decision is about the merits only.

What happened

Ms L and Mr R’s insurance policy covering their buildings and contents started in July 2019. In August 2019, Ms L discovered the ceiling in her kitchen had collapsed due to water coming through from the bathroom above. So she and Mr R made a claim on their insurance policy to cover the damage. They also arranged for a plumber to attend the property to stop the leak and assess the damage.

The plumber provided an email explaining there were two leaks – the first was from the shower tray moving and the second was due to an issue with pipework coming from the toilet. The plumber quoted around £4650 to repair the bathroom and kitchen ceiling.

After some back and forth, Ms L and Mr R sent Ageas the plumber’s report. Ageas says as it considered the quote from the plumber to be too high, it arranged for an independent building claim validation company (I’ll call it “V”) to visit the property and assess the damage.

V issued its report around September 2019. This said the policyholders had previously noticed water leaking into the kitchen when using the shower and highlighted the grout was mouldy and in need of repair. So it didn’t think any damage caused by that should be covered. It couldn’t inspect any damage caused by the toilet as it had already been removed. So it relied on the plumber’s report. Based on this and its own inspection, V thought the movement to the shower tray was caused by the grout being in a poor condition. So it suggested only damage caused by the toilet should be covered. V also pointed out that the plumber had damaged the wall tiles when removing the toilet and had included items to be repaired that shouldn’t form part of the claim.

As a result, Ageas agreed to only cover damage caused by the toilet. It offered to cash settle the claim for around £186 after deducting the £350 excess. Ms L and Mr R didn’t think this was fair. So they appointed a loss assessor (“P”) to handle things on their behalf.

Around November 2019 P responded to Ageas’ decision. In particular, he said the stains on the ceiling would be older if water had got through the grout. And he said the leak from the toilet may have caused damage under the shower and behind the wall tiles which led to the condition of the grout. So he thought the whole claim should be covered.

As things weren't resolved, Ms L and Mr R referred their complaint to our service. They provided three reports outlining the damage to their property. Two of these reports included quotes for the repair work – ranging from £4,650 to around £13,000. And Ageas has given us the policy documentation, correspondence, V's report and pictures. Our investigator didn't think the complaint should be upheld but as Ms L and Mr R didn't agree with our investigator's opinion, the complaint was passed to me to decide.

I issued a provisional decision in February 2022. I thought the complaint should be upheld in part – but not in the way Ms L and Mr R wanted. In summary I thought:

- From the plumber's evidence, there were two leaks.
- There wasn't much evidence to support the reasons either party had given as to why the shower tray was moving and causing the leak. But on balance, I thought Ageas' view that the tray was moving due to the poor condition of the grout was more persuasive.
- Either way, there hadn't been a one-off insured event which caused the movement of the shower tray and ultimately the leak.
- Damage resulting from a gradual cause isn't covered under the policy terms. And I thought Ms L and Mr R should've been aware there was damage happening gradually to their property due to the water stains and bubbling and peeling paint on the kitchen ceiling and walls. So they could've acted on it and prevented the damage caused.
- The deterioration of the grout would be excluded as wear and tear under the policy.
- Ageas had acted in line with the terms and conditions when declining the parts of the claim caused by the shower.
- The quotes Ms L and Mr R had provided covered damage which wasn't caused by the insured event. So Ageas had reasonably declined to cover the full cost. And it's fair for the scope of works to only include repairs to the areas damaged by the toilet.
- Ageas' offer to cover the cost of applying stain block and two coats of white emulsion to the living room ceiling which was damaged by the leak was fair.
- Ageas had acted fairly when declining to cover the replacement of all of Ms L and Mr R's wall tiles in the bathroom as the policy only covered the damaged ones. And considering the type of wall tiles used and that those damaged were in a small area behind the toilet, I thought they could find a close enough match which wouldn't be easily visible anyway.
- The parts of the kitchen ceiling Ageas hadn't agreed to repair didn't look damaged in the photos I'd been given. So I didn't think it had acted unfairly.
- Under the terms of the policy, Ageas was entitled to offer a cash settlement instead of repairing the damage itself. But it seemed its offer was based on it being able to secure works for a cheaper price than perhaps Ms L and Mr R could. And I didn't think that would indemnify them. So I thought it would be fairer for Ageas to settle the claim based on the actual reasonable cost of works to Ms L and Mr R.

I asked both parties to make any further comments before I reached a final decision. Ageas said it had nothing more to add and its decision remained unchanged. It did say however if Ms L and Mr R had further comments it hadn't already addressed, it would look at these further. Ms L and Mr R said they had nothing further to add and asked me to proceed to my final 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.

Having looked at the responses I've received, I see no reason to change my conclusions set out in my provisional decision.

Putting things right

To put things right in this case, Ageas should:

- Add “applying stain block to the areas of the living room ceiling damaged by the leak” and “applying two coats of white emulsion to the living room ceiling” to the scope of works.
- Pay the reasonable cost of the repairs listed in the scope of works (including the above) upon receipt of an itemised invoice from Ms L and Mr R showing the work has been carried out and what they paid for it.

My final decision

For the reasons I've given, I uphold Ms L and Mr R's complaint in part and direct Ageas Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L and Mr R to accept or reject my decision before 25 March 2022.

Nadya Neve
Ombudsman