

The complaint

Mr A is unhappy with how AWP P&C SA (“AWP”) handled a claim he made following an escape of water at his home.

What happened

On 13 August 2020, Mr A noticed water running down his hallway wall beneath his bathroom. Mr A says he called the home emergency number listed in his policy documentation, but AWP didn’t help with obtaining a tradesperson to address the escape of water. Instead, Mr A says AWP told him he’d first need to trace and access the source of the leak. And that he could claim for the cost of doing this on his household insurance. Mr A says he spoke to his household insurer who said it wouldn’t provide emergency assistance and would only advise him on how to make a claim for water damage. Mr A then spoke again to AWP, but still wasn’t offered any emergency assistance. Mr A complained.

Mr A brought his complaint to us whilst waiting for AWP to respond to his complaint. He said that under the terms of his home emergency cover, AWP should’ve sent a tradesperson to deal with the emergency. And that the terms of his cover didn’t say assistance would only be provided once the escape of water had been traced and accessed. Mr A said he wanted his premiums refunded and compensation for the time and effort he’d to put into getting the complaint heard and resolved.

Mr A received AWP’s Final Response Letter (FRL). The FRL said AWP was unable to find a recording of its telephone conversation with Mr A, but that AWP had been correct in telling Mr A that it would only attend a leak at his property if he was able to identify exactly where the leak was coming from. It said Mr A’s home emergency policy didn’t cover trace and access, so AWP was also correct in referring Mr A to his household insurer for this. AWP said Mr A’s home emergency policy should complement his home insurance and that it provided benefits and services his home insurance didn’t offer. AWP said Mr A’s home emergency policy didn’t cover day-to-day property maintenance or items which gradually wear over time. And that AWP aims to provide rapid, expert help in a home emergency to stabilise the situation and resolve the emergency. It offered Mr A £45 for the delay in responding to his complaint, but Mr A was still unhappy.

Our investigator upheld Mr A’s complaint. She said AWP should’ve dealt with Mr A’s claim as per the terms and conditions of his policy. She said the escape of water fell within the policy definition of an emergency. And that trace and access wouldn’t have been necessary because she felt - from the information Mr A had provided to her - it was clear he knew the leak was coming from the waste pipe before he got in touch with the insurer. She said AWP should reimburse Mr A the cost he’d incurred to repair the leak and pay him £150 compensation.

AWP responded saying Mr A’s plumber’s invoice noted that trace and access was required. But Mr A said his plumber didn’t have to search for the leak and only took steps to check the source of it. He said he’d told AWP where he thought the leak was coming from and that there was water coming down a wall directly beneath the bath. He felt AWP should have been prepared to act on this information.

Our investigator confirmed to both parties that she wouldn't be changing her view. But AWP didn't respond the view and so Mr A asked for an ombudsman's decision.

After I'd considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint, I reached a different outcome to our investigator. Because the outcome was different, I issued a provisional decision giving both parties a further chance to comment on my findings ahead of issuing my final decision.

My provisional decision

My provisional decision was that I was minded to require AWP P&C SA to pay Mr A £176.40 as set out in his plumber's invoice dated 29 August 2020, less any relevant excesses and £250 compensation for his distress and inconvenience.

I explained my provisional findings to both parties as follows:

"Mr A has raised a complaint about his household insurer in relation to these events. But my provisional decision will only cover the points Mr A has made which are relevant to his home emergency cover and AWP.

When Mr A brought his complaint to us, he told us he felt AWP had taken too long to respond to his complaint and raised concerns about AWP's investigation of his complaint. I'm unable to comment on the processes used by businesses to investigate and respond to complaints. They fall under the remit of the Financial Conduct Authority and are outside the scope of this service.

But I am able to decide whether AWP acted fairly and reasonably towards Mr A and in line with the terms set out in his home emergency policy. And from the evidence I've seen, I don't think AWP has. I'll explain why.

Mr A's policy defines an emergency as "A sudden and unforeseen domestic situation which, if not dealt with quickly, will:....damage, or cause further damage to your home or its contents". So I think the escape of water Mr A suffered meets his policy's definition of an emergency. AWP's FRL says that day-to-day maintenance and gradual wear is excluded from cover. But I've not seen any evidence suggesting the escape of water was caused by either of these, so I can't say this exclusion applies here.

Mr A's policy wording says, in the "What is covered" column under the "Home Emergency T&Cs" heading on page 14 that AWP will provide cover if the emergency is caused by, "Failure of, or damage to, the plumbing or drainage systems which will result in water damage inside your home". The only policy exclusion relating to water escape listed in Mr A's policy wording concerns water escaping from internal plumbing safely down a drain, which isn't relevant here because the water was escaping down Mr A's walls. So I'm satisfied that Mr A's escape of water would be covered under the terms of his policy.

Mr A's policy wording says in the "What is covered" column that where the emergency is covered by the policy terms, AWP will arrange for "a tradesperson to attend your home". And on page 3 of Mr A's policy wording it says, "We aim to provide rapid, expert help if you suffer an emergency arising from an incident covered under this policy. We will arrange for one of our list of approved contractors to attend and take actions to stabilise the situation or resolve the emergency". Mr A's policy terms don't say that the "rapid, expert help" is dependent on him first tracing and accessing the source of the escape of water or him knowing where the leak was coming from.

AWP's FRL said Mr A's home emergency cover should complement his home insurance and provide benefits it didn't offer. Mr A's home emergency policy wording does make a reference to his household cover as it says "This policy is an emergency policy and not a buildings or contents policy. It should complement your home insurance, and provide benefits and services which are not normally available under that type of policy". But I don't think it's reasonable for Mr A to understand from this that he'd need to use the trace and access cover offered under his household insurance before AWP would send a tradesperson to deal with his emergency.

So I'm minded to uphold Mr A's complaint. I think Mr A's escape of water met the policy definition of an emergency. His policy's terms say he can expect an emergency to be stabilised or resolved by a tradesperson but his policy's terms don't also state this is dependent on him knowing where the leak was coming from or on him carrying out trace and access first.

So I'm minded to require that AWP pay Mr A what it cost him to remedy the escape of water, as set out in his plumber's invoice.

I've also carefully considered the distress and inconvenience Mr A has suffered. And I don't think the £150 awarded to Mr A by our investigator is enough compensation for this. This is because - despite Mr A's policy's terms setting out that he can expect rapid emergency assistance - Mr A had to go to the trouble of organising his own plumber to deal with the emergency, which he then had to pay for himself. As well, Mr W had to speak to AWP at least twice asking it to help him with the emergency in line with his policy's terms, but was still left to deal with the emergency himself. This must have been very frustrating and concerning for Mr A - especially during a home emergency. So I'm minded to award Mr A £250 which I think is a fairer reflection of the distress and inconvenience AWP has caused him."

Responses to my provisional decision

Mr A accepted my provisional decision. He said that AWP's handling of his claim was a major contributor to his frustration and that the complaint correspondence he'd received from AWP fell way below any kind of satisfactory level. He said he'd bought his home emergency policy as part of his home insurance cover so that the policies would integrate seamlessly, which he said hadn't been the case.

AWP didn't provide a response, despite being given a reasonable amount of time within which to do so.

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.

Mr A's response didn't provide any new information or arguments material to my provisional outcome that I'd not already considered when arriving at provisional decision. And AWP didn't respond to my provisional decision. So I've decided to uphold Mr A's complaint in line with my provisional decision.

My final decision

I uphold Mr A's complaint. I instruct AWP P&C SA to pay Mr A:

- £176.40 as set out in his plumber's invoice dated 29 August 2020, less any relevant excesses;
- 8% simple interest on the £176.40 amount less relevant excesses calculated from the 29 August 2020;
- £250 compensation for the distress and inconvenience AWP P&C SA caused Mr A, which AWP P&C SA must pay to Mr A within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 June 2022.

Ruth Peek
Ombudsman