

The complaint

Mr L and Miss S have complained that Inter Partner Assistance SA (IPA) caused a water leak that damaged their home under a home emergency policy.

What happened

Mr L and Miss S contacted IPA when their heating system failed. IPA sent an engineer, who visited twice and replaced some parts. Following the second visit, Miss S found a water leak in her bathroom. IPA sent another engineer who found a leak from the shower pump flexible hose and carried out a repair. IPA also sent a loss adjuster who found a range of damage.

Following this and a complaint from Mr L and Miss S, IPA refused to accept liability for the consequential damage, but agreed to pay £300 compensation for the distress and inconvenience caused.

When Mr L and Miss S contacted this service, our investigator upheld the complaint. He said the evidence showed it was likely the leak was caused by IPA's engineer. He said IPA should reimburse Mr L and Miss S the excess they had paid for their home insurance claim and reimburse the insurer for the cost of dealing with the claim. He said IPA should also pay Miss S one day's loss of wages and pay £500 compensation for the distress and inconvenience caused.

Following this, IPA accepted liability for the damage to Mr L and Miss S's home. Mr L and Miss S said they didn't think the compensation was enough. So, our investigator considered this further and said he thought IPA should increase the amount of compensation to £1,000 because of the full circumstances of what had happened. IPA considered this and said the amount of compensation was too high. Mr L and Miss S said £1,000 compensation wasn't enough to reflect the circumstances of what had happened and the impact on them.

As agreement couldn't be reached, the complaint was referred 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.

Having done so, I uphold this complaint. I will explain why.

IPA now accepts responsibility for the water leak that caused damage to Mr L and Miss S's home. As a result, I will focus my decision on the impact and what IPA needs to do to put this right. However, I'm aware of the full circumstances of what happened.

Mr L and Miss S made a home insurance claim to deal with the damage. They paid an excess for the claim. So, IPA needs to reimburse them the cost of the excess, which I understand is £500. There will also be a record of the claim and the costs involved. IPA should therefore contact Mr L and Miss S's home insurer and take reasonable steps to reimburse the cost of the claim and, if possible, for it to be removed from the CUE database.

Miss S also said she was up until the early hours of the morning dealing with the leak. As a result, she was unable to go into work the following day. This service doesn't usually require businesses to cover this type of loss. However, given this was to deal with a leak that IPA now accepts it caused, if there was a direct financial loss for which Miss S can provide evidence, I think IPA should pay for this. This would be if Miss S had to take unpaid emergency leave or similar. But IPA doesn't need to pay anything if, for example, Miss S used her annual leave entitlement. Miss S would need to provide appropriate evidence to show the financial loss, such as proof of the day's lost wages and confirmation from her employer that she took the day off. However, I don't require IPA to cover any loss of income for Mr L. I'm aware his photography equipment was damaged by the water leak. But, I think it is difficult to determine what specific financial loss there was and so I'm not persuaded that IPA needs to pay anything in relation to this.

I've also thought about compensation. IPA offered £300 compensation, which was for the distress and inconvenience caused to Mr L and Miss S. I'm aware IPA thought £1,000 was too much compensation and Mr L and Miss S thought it was too low an amount and that around £8,000 would be more appropriate. I've thought about this carefully, including taking into account the full circumstances of what happened and our approach to compensation awards.

Mr L and Miss S clearly had to deal with a lot of distress and inconvenience because of the water leak. This included having to deal with the leak itself, being left without a shower, the damage to their home, including concerns about the garage door not closing properly and how they felt about living in their home, and making a home insurance claim, as well as having to be persistent in trying to show IPA was responsible for the damage. I'm also aware of their personal circumstances, including the medical issues and the impact on Mr L because of the damage to his photography equipment. I can see that this would have had a significant impact on Mr L and Miss S and over a prolonged period of time. So, having thought about this carefully, I think £1,000 is an appropriate amount of compensation to reflect the impact on Mr L and Miss S. This includes the £300 compensation previously offered by IPA.

Putting things right

IPA should reimburse Mr L and Miss S the excess they paid for their home insurance claim. It should also take reasonable steps to reimburse Mr L and Miss S's home insurer and, if possible, get the claim removed from the CUE database. IPA should also compensate Miss S for the loss of one day's wages, if she can appropriately evidence the financial loss. It should also pay a total of £1,000 compensation, which includes the £300 previously offered, for the distress and inconvenience caused.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Inter Partner Assistance SA to:

- Reimburse the excess Mr L and Miss S paid for their home insurance claim.
- Take reasonable steps to reimburse Mr L and Miss S's home insurer for the cost of the claim and to remove the claim from the CUE database.
- Compensate Miss S for one day's loss of wages, subject to her providing suitable evidence of this.
- Pay a total of £1,000 compensation for the distress and inconvenience caused. This include the £300 previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Miss S to accept or reject my decision before 19 October 2022.

Louise O'Sullivan
Ombudsman