

The complaint

Ms M's representative complains on her behalf that UIA Insurance Limited (UIA) unfairly declined her claim on her home insurance policy and that it gave poor service when handling the claim.

References to Ms M, or her representative, will include the other.

There are several parties and representatives of UIA involved throughout the complaint but for the purposes of this complaint I'm only going to refer to UIA.

What happened

Ms M found a leak under the sink in the bathroom building, which is an extension, linked by a hallway, to the ground floor of her house.

She made a claim on her home buildings insurance with UIA. UIA declined to settle the claim.

Ms M made a complaint to UIA and then to our service. We did not uphold her complaint. Although Ms M did not agree with the view, UIA agreed if Ms M obtained an independent building surveyor's report that supported her claim it was willing to re-review it.

Ms M submitted an independent report to UIA. It reviewed the report but said it did not change its view and it maintained its decision to decline her claim.

As Ms M was not happy with UIA, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said UIA should reassess Ms M's claim – focussing on the area the escape of water occurred. They said in acknowledgment of Ms M's loss of expectation, disruption caused, wasted time and distress and inconvenience UIA should award her £500. In addition it should pay the costs for the independent surveyor's report she obtained.

As UIA is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

I saw that UIA has relied on the following wording within the terms and conditions of the policy;

"You and your family must take all reasonable precautions to prevent loss, damage or accidents and to mitigate any loss or damage which does occur."

And

“You must keep the buildings, contents and all other property which is insured by this policy in good repair.”

UIA said Ms M's bathroom building was not in a good state of repair and the construction of the building did not conform to building regulations. It initially rejected Ms M's claim because it believes the damage being claimed for relates to damp, condensation and mould that has been ongoing for a considerable amount of time.

Survey reports

I looked at the reports produced by UIA and the independent report obtained by Ms M.

In the report from UIA's surveyor it says the tiled boxing running behind the bath shows water damage from an escape of water. It confirms a leak behind the sink unit in the hot water supply pipe. It also says that due to the construction of the toilet building being of single skinned walls it will not dry out completely and there will always be a certain level of dampness. The report included images of a leaking pipe behind the sink.

In the report from Ms M's independent surveyor it says the bathroom boxing in wall tiled area has been affected by the escape of water and it feels this should be covered by the claim. This report also mentions that the mould and ventilation has been maintained and refurbished. It said there is no evidence to support claims that the building has been inadequately constructed.

UIA maintained its decision to decline Ms M's claim. It said, *“there is no further information that changes the decision already made.”*

On review of the initial report organised by UIA and Ms M's independent report they both do confirm there was a leak under the sink. I think it is likely that some of the damage found in this area is related to this escape of water and therefore it should be covered under the terms and conditions of the policy.

Therefore I think that UKI should reassess Ms M's claim for any damage found in the area of the sink only, where the escape of water was confirmed. I do not think the rest of the bathroom should be considered. Because I have not seen any evidence that the escape of water from the sink pipe could have caused all the mould and damp throughout the bathroom.

Service Issues

I have seen evidence that when Ms M first made her claim for the leak in December 2019, that UIA accepted the claim and offered a cash settlement.

Several months later UIA declined the claim.

I have no doubt that this loss of expectation from UIA caused her disruption and distress.

After declining the claim and rejecting her complaint UIA told Ms M that *“unless it received a professional report which contradicts our findings that it would be unable to review its decision”*.

I think Ms M's report does contradict UIA's findings as it did not find there were issues with the construction of the bathroom building. And both reports clearly refer to an escape of water under the sink.

The mould issue in the bathroom had been rectified by the time the independent survey took place so there was no way any survey could confirm how long the mould had been there. This work had been undertaken because UIA had initially informed Ms M that her claim was to be settled.

I think as UIA maintained its decision to decline Ms M's claim in full despite her producing contradicting evidence, this has caused further distress, delays, and inconvenience to her.

I think that UIA should compensate Ms M for the poor service given with the initial delays in deciding to decline her claim. And also for failing to fairly reassess her claim after she obtained a report, as it requested, that contradicted its findings.

Therefore I agree with our investigator and think UIA should pay Ms M £500 in compensation for the stress it caused to her due to delays caused and errors it made. It should also pay for the independent survey obtained by Ms M. The cost of which should be within industry standard.

Therefore, I uphold Ms M's complaint and require UIA to reassess her claim for the area under the sink only, pay £500 for the distress and inconvenience caused and pay the cost of the independent survey.

My final decision

For the reasons I have given I uphold this complaint.

I require UIA Insurance Limited to reassess Ms M's claim for the damage to the area under the sink, pay £500 in compensation and pay the cost of the independent survey.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 25 November 2022.

Sally-Ann Harding
Ombudsman