

The complaint

Mrs E and Mr E have complained about the service received by Inter Partner Assistance SA ('IPA') under their home emergency policy following a water leak. For avoidance of doubt, in this decision, 'IPA' includes its representatives, agents and contractors.

What happened

Mrs E and Mr E experienced a leak at their property in November 2021. Mrs E and Mr E had a home emergency insurance policy with IPA at the time and they therefore called IPA to report the issue. A representative attended the property the following day, applied leak sealant to the system and advised that if the leak continued, to call back. In January 2022, Mrs and Mr E again contacted IPA to report a leak. IPA said that 'trace and access' wasn't covered by the policy and that Mrs E and Mr E needed to contact their home insurer. The leak was uncovered and repaired a fortnight later.

Mrs and Mr E were unhappy with the way in which IPA had handled the matter and complained to this service. They thought that if IPA had traced, and properly repaired the leak in November 2021, they wouldn't have had to experience further delay, stress and inconvenience in January and February 2022.

Our investigator upheld Mrs E and Mr E's complaint. She considered that there was no evidence that the second leak came from the same source as the first leak or that IPA hadn't stopped the first leak. She thought however that the policy definition for trace and access was ambiguous. She thought it was damage caused tracing the issue that wasn't covered and that IPA should therefore have carried out the trace and access. She thought that IPA therefore caused unnecessary delays by telling Mrs and Mr E that they weren't covered and referring her to her home insurer.

Our investigator came to the view that if IPA had traced the leak, Mrs E and Mr E would nevertheless still have had to go through their home insurer to have the damage repaired. In conclusion, as IPA had offered £150 compensation, she thought that this was in line with awards the service would recommend for inconvenience caused by delays. She didn't think IPA needed to offer further compensation.

Mrs and Mr E remained unhappy with the outcome of the complaint and were seeking a greater level of compensation. The matter was then referred to me to make a final decision in my role as Ombudsman. I recently issued a provisional decision for this complaint and explained why I was minded to uphold Mrs E and Mr E's complaint as follows; -

'The issue for me to determine is whether IPA applied the terms and conditions of its policy and treated Mrs E and Mr E in a fair and reasonable manner. On a provisional basis, I consider that IPA didn't act in a fair and reasonable manner in all respects.

The starting point in my consideration will be the policy documents and wording of relevant terms and conditions. IPA's home emergency policy covered Mrs E and Mr E for emergencies, including those relating to hot and cold-water pipes and water leaks from the heating system. It covered organising and paying towards Emergency Repairs which are

defined as 'work undertaken by an Authorised Contractor to resolve the Emergency by completing a Temporary Repair'. The term 'Temporary Repair' is defined as 'Repairs and/or work immediately required to stop further damage being caused by the Emergency. You will need to replace this with a Permanent Repair.' The policy terms add however; - 'We would always recommend that You arrange for a Permanent Repair to be completed by a qualified tradesperson as soon as possible, once We have carried out an Emergency repair and contained the Emergency for You, as this may only provide a temporary solution to the problem.' Whilst 'Permanent Repair' is defined as 'Repairs and/or work required to put right the fault which caused the Emergency on a permanent basis.'

In the policy's general exclusions, under the heading 'What is not covered' it refers to 'Cost of Trace and Access to locate the source of the Emergency'. 'Trace and Access' is defined as; 'Damage resulting from gaining necessary access to the Emergency or reinstating the fabric of Your Home'.

Mrs E and Mr E were unhappy with the service received from IPA both in November 2021 and in early 2022. They said that they only ever received one visit in November 2021. They thought that if the engineer had tried to trace and expose the leak in November 2021, the damage to their home would never have happened. They said they were never offered isolation of the water system in January 2022 and had been advised by IPA's representative to keep the heating on day and night to keep the pipes expanded until engineers could attend to locate and fix the leak. Mrs E and Mr E said that the engineer who inspected the damage in January 2022 explained the situation well, 'he explained it like putting a plug in your bath and having a dripping tap for two months and the water was going into a Void.'

Mrs E and Mr E said that in their view, the leak reported in November 2021 continued until February 2022. They thought it was dangerous, as water was leaking into the electrics and lights with large amounts of water entering the internal bricks, causing extensive damage. They said that calls to IPA were ignored and no action was taken. In early 2022, they said that IPA's lack of action meant they had to wait for weeks to get the leaking pipe repaired. Finally, Mrs E and Mr E said that the inconvenience, stress, anxiety and upset caused had been immense 'just to put our home back to its original state.' Mrs and Mr E said they'd spent days trying to get IPA to help: - 'time and time again we were ignored'. They felt that they'd paid insurance premiums in good faith and when a home emergency happened, they expected to be assisted in a timely manner.

In IPA's final response to Mrs and Mr E's complaint, it stated that when reporting the leak in November 2021, Mrs E and Mr E confirmed there was a leak coming from a radiator or heating pipework. It said that the plumber who attended found that the boiler was losing pressure and diagnosed a leak from the boiler pipework and advised that a heating engineer was required. It said that a representative was duly deployed the following day. He was unable to locate the leak but added a leak sealant to the heating system and advised that if the leak continued, to contact IPA again. It said that the engineer had offered to turn off the water supply and to drain down the system to stop further damage, but that Mrs E and Mr E had politely declined.

IPA said that it then received a telephone call from Mrs E and Mr E in January 2022 to advise that a leak had re-occurred and they required assistance. IPA thought there had been two separate leaks. It said that the engineer attended on the following day and realised that trace and access was required before a repair to the pipework could be made. It accepted that its agent didn't attend within its expected timescales. IPA agreed that it then advised Mrs E and Mr E on a few occasions to contact their home insurer to arrange the trace and access. It was adamant that this element was not covered by IPA's home emergency policy. It said that it became aware that the home insurer had also declined trace and access, and Mrs E and Mr E were willing to pay for the trace and access element personally. An engineer

then attended in early February 2022, drained down the system and replaced the hot and cold-water feeds under the landing. The system was found to be working correctly with no further leaks.

IPA accepted that there had been an initial delay in an engineer attending in November 2021 and that Mrs E and Mr E had to chase IPA. It said that attendance wasn't received 'within our expected timescales'. It also acknowledged that Mrs E and Mr E had to phone IPA several times for updates and didn't always receive a call back from its representatives when expected. It was unaware of where the leak was coming from but acknowledged that Mrs E and Mr E did state that the leak could be coming from the heating pipework. It stated that it would always send out a plumber to try and isolate an active leak to prevent further damage. As to events in early 2022, it accepted that after IPA became aware that the home insurer wasn't going to carry out trace and access work, there was a delay in its agent returning to carry out the repair.

As to the standard of work in November 2021, it said that a continuing leak would have become apparent straight away or shortly after if it had been repaired incorrectly, not two months later. It considered that there had been two separate leaks and disagreed with Mrs E and Mr E that the water had changed direction and leaked into a void. It said that as it had been unaware of any ongoing leak, it didn't consider it could uphold the complaint. It also said that there would always have been a need for damage caused by the original water escape to be addressed either privately or through Mrs E and Mr E's buildings insurance.

Having considered all available evidence and the submissions of both parties, I've reached the following provisional conclusions on the balance of probabilities. The terms and conditions of the home emergency policy make it clear that in an emergency, it will cover 'temporary' repairs only and that policy holders needed 'to replace this with a Permanent Repair'. Following the temporary repair carried out in November 2021 by the application of leak sealant, further problems didn't emerge until January 2022. It appeared that the problem had therefore been temporarily addressed as required by the policy. Mrs E and Mr E referred to evidence which suggested that it was likely that in the interim period, water had leaked into a void. I consider that it's likely that this happened and that it was linked to the problem which occurred in December 2021.

It might be expected that, even for temporary repairs, some attempt would have been made under a home emergency policy to trace the cause of a leak, rather than simply to apply leak sealant. The emergency policy however makes it clear that the emergency solution would only be a temporary repair to immediately stop the problem. Whilst this is a finely balanced judgment, I can't say that it was wholly unfair or unreasonable for IPA to have applied the terms and conditions in this manner. It could be anticipated that a permanent repair was likely to be required in the future. Although in November 2021 it appeared that the sealant had provided a temporary solution, it's likely that it didn't fully resolve the problem. It's most unfortunate however that the continuing problem didn't emerge until January 2022 so that Mrs E and Mr E weren't alerted sooner to the need for a permanent repair to be carried out.

On the question of whether IPA reasonably declined to pay for 'trace and access,' to get to the root of the problem in January 2022, again the policy wording is the starting point. The logical definition would simply have been the gaining of necessary access to achieve a temporary repair. Indeed, under the heading 'What is not covered', the policy refers to 'damage caused gaining necessary access to the Emergency otherwise known as 'Trace and Access'. This supports the logical meaning of the policy. I consider that the wording of the policy terms and conditions is therefore unfortunate and creates ambiguity.

I also consider that it was unfair and unreasonable for IPA to decline to arrange to action necessary trace and access in January 2022, as it wasn't clearly excluded from the policy.

I'm satisfied that it wouldn't have been unreasonable for IPA to have declined to pay for the cost of any damage caused by such trace and access however, as this was clearly excluded from the policy. My provisional conclusion is therefore that the ambiguity in the policy meant that IPA didn't fairly and reasonably explain options to Mrs E and Mr E. It should have offered to arrange prompt trace and access in January 2022, whilst explaining that Mrs E and Mr E would be responsible for the cost of any damage caused by such trace and access. It's also likely that this ambiguity in the policy meant that no attempt was made by the engineer who attended in November 2021 to trace and access the leak. This may well have led to a more satisfactory temporary solution rather than application of leak sealant. I agree however with our investigator that the eventual, permanent solution was not one which would be expected to be achieved under Mrs E and Mr E's home emergency policy rather than their home insurance policy.

I appreciate that the involvement of two insurers in this context would have caused confusion and frustration for Mrs E and Mr E. This is particularly the case in January 2022, as both insurers declined responsibility for trace and access, and that this caused considerably more delay than would otherwise have been the case. It wasn't entirely unreasonable for IPA to refer Mrs E and Mr E to their home insurers, as they may have covered the cost of any damage caused by trace and access (such trace and access would inevitably have caused some damage, however minor). However, as above, the options were not fairly and reasonably explained by IPA and I consider that some of the confusion was due to IPA's flawed approach.

As to communication and administration issues, I agree with our investigator that there were a number failures by IPA. The records of IPA's agents are unclear, and I therefore accept Mrs E and Mr E's evidence that they were not offered isolation of the water system in January 2022 and had been advised to keep the heating on. I also accept that in both November 2021 and January 2022, Mrs and Mr E had to chase IPA for responses on a number of occasions. IPA accepted that there had been some failings in November 2021 and also accepted that there was a delay in its representative returning to make the repair in February 2022.

I can understand that both the November 2021 and January 2022 incidents will have caused inconvenience and distress for Mrs and Mr E. On a provisional basis, I also consider that the handling of the matter by IPA will have caused delays in reaching appropriate solutions and will have unnecessarily added to that inconvenience and distress. Our service's approach is that modest compensation may be appropriate in cases where service delays have an impact upon the policyholder. In this case however, I consider that the delays and confusion took place over a number of weeks due to the approach taken by IPA. This will therefore have also caused additional inconvenience, upset, anxiety and distress to Mrs E and Mr E over a number of weeks. I'm therefore minded to require IPA to increase the compensation to be paid from £150 to £450.'

In my provisional decision, I asked both IPA and Mrs E and Mr E if they had any further comments or evidence they would like me to consider before I made a 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.

IPA accepted the provisional decision. Mrs E and Mr E also accepted the provisional decision and had nothing further to add apart from wishing to clarify one point. They said that when IPA sent its representative to attend to the leak in November 2021, he was not a Corgi registered gas engineer and was a drains specialist. Mrs E and Mr E considered that as

such, he would not have been able to address and access the leak issues and to drain down the boiler, as IPA claimed it offered.

Whilst I note this further point made by Mrs E and Mr E, this doesn't alter the final outcome. In all the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

My final decision

For the reasons given above, I uphold Mrs E and Mr E's complaint and require Inter Partner Assistance SA to pay Mrs E and Mr E £450 in compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 15 November 2022.

Claire Jones
Ombudsman