

The complaint

Mr M is unhappy that QIC Europe Ltd turned down a claim for damage to a pipe made under his home insurance policy.

What happened

Mr M contacted QIC to raise a claim for damage to a mains supply pipe in his property. He said the problem was linked to a repair done by the local water company on the supply pipe at the front of his property.

QIC's contractors attended and conducted a visual inspection. They concluded there was no evidence of accidental damage to the pipe and so QIC turned down the claim.

Mr M disagreed and engaged his own contractor ("L") to investigate the source of the leak. L successfully located the leak and repaired the pipe. L concluded "*The primary cause of the leak was a burst fitting caused by the increase in water pressure that occurred when [water company] completed repairs to a significant water leak to the supply pipe at the front of the property.*"

Mr M provided L's report to QIC, but it maintained its decision to turn down his claim. QIC said Mr M's claim didn't meet the definition of "accidental damage" under the policy.

Mr M disagreed and referred his complaint to our service. He said the circumstances which caused the leak meant the claim should succeed.

Our investigator looked at everything and recommended the complaint be upheld. They concluded the cause of the damage (a build-up of pressure from the mains supply being turned back on) did meet the definition of accidental damage under the policy. So, they recommended QIC reimbursed Mr M's costs for tracing and repairing the leak, including 8% simple interest for the time he was without the funds.

QIC disagreed with our investigator and asked for an ombudsman's decision. It said that it didn't think the pipe in question could be considered under the "*Accidental damage to mains services*" section of the policy, and the section was clear on this point. QIC added that it didn't think any other sections of the policy could provide cover in the circumstances either.

The complaint has now been passed to me to decide.

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 M's policy covers:

"Accidental damage to mains services

We will pay the costs of repairing accidental damage to underground pipes, tanks, cables and services (including their inspection covers) that reach from the buildings to the public supply and septic tanks, which you are legally responsible for."

And the policy defines "accidental damage" as:

"Sudden, unexpected and physical damage which:

- i. happens at a specific time; and*
- ii. was not deliberate; and*
- iii. was caused by something external and identifiable."*

It's not in dispute that Mr M's pipe was damaged. And that it was physical damage (by which our service considers a loss of function to the pipe). So, what I need to consider is whether QIC has fairly relied on the remaining terms within its definition of accidental damage to turn down the claim.

QIC has, at times during the claim, sought to rely on different factors to turn down the claim. It said the pipe isn't underground and is an internal pipe, so this section of the policy didn't apply. It later said there was no evidence of accidental damage to the pipe and the damage wasn't caused by something external, such as tree roots or heavy vehicles, due to its location.

I've considered QIC's reasons in turn. And having done so I find that it cannot reasonably rely on any of these to turn down the claim.

The pipe in question is a mains supply pipe which connects Mr M's property to the mains water supply. There's nothing in the policy section above which states that this pipe needs to be 'underground' or whether it needs to be outside or inside the property. So, I'm satisfied there is sufficient scope in the policy wording to cover this pipe as it covers *"services that reach from the buildings to the public supply"*.

QIC has relied on its contractor's report which says there was no evidence of accidental damage. This report was based on a visual inspection of the property only and there were no investigative works done to uncover the source of the leak. The report concluded the leak was *"under the property"*. I don't find this report persuasive in ruling out accidental damage because the exact source and cause of the leak aren't discussed.

With regard to whether the damage was accidental and further caused by something external and identifiable, L's report concluded the problem occurred as a result of an increase in water pressure in the mains supply pipe.

"External" isn't defined in Mr M's policy. So, I've considered the ordinary, everyday meaning here which is *"coming or derived from a source outside the subject affected"*.

I'm satisfied that the change in pressure originated from a source outside of Mr M's pipe (the water company's supply pipe), and that it happened suddenly and unexpectedly. So, I think the claim should succeed in line with QIC's policy terms and conditions.

Mr M was required to trace the leak himself and get it repaired. I've seen a copy of the invoices and I find them reasonable. I therefore uphold this complaint and direct QIC to reimburse Mr M's costs. And Mr M should also be reimbursed with 8% simple interest for the time he's been without these funds.

My final decision

My final decision is that I uphold this complaint. In order to put things right, I direct QIC Europe Ltd to

- Settle Mr M's claim by reimbursing his costs for tracing the leak and repairing the pipe, subject to any remaining policy terms and conditions (such as an excess).
- Pay 8% simple interest on the above sum, from the date Mr M paid the invoice to the date of settlement.

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

Dan Prevett
Ombudsman