

## **The complaint**

Mr D and Ms T complain QIC Europe Limited unfairly declined their buildings insurance claim.

All references to QIC also include its appointed agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them in full here. Below is a summary of the key events that led to this complaint.

- Around May 2021, Mr D and Ms T said they noticed signs of what they believed to be damp in their property.
- Mr D and Ms T hired a Damp Proofer to attend the property and investigate. Rectification works were completed following this.
- In August 2021, Mr D and Ms T were contact by their Water Company informing them it had detected a leak at their property.
- Mr D and Ms T contacted QIC to initiate a claim. QIC considered the claim under the accidental damage section of the policy.
- QIC declined Mr D and Ms T's claim. It said it had been unable to identify any external source that caused the damage to the pipe– and so there was no evidence of accidental damage.
- QIC also declined a claim for resultant damage to the property from the leak. QIC said considering the level of damage in the property reported it would have been occurring over a long period and damage would've been noticeable to Mr D and Ms T for some time. It said the leak appeared to predate Mr D and Ms T's purchase of the property around two years prior. QIC said this was excluded from cover.
- Mr D and Ms T complained to QIC, unhappy with its response, they brought their complaint to our service.

Our investigator didn't recommend Mr D and Ms T's complaint be upheld. He said there was no evidence of sudden damage to the pipe, and from the information available he was persuaded it had happened gradually. He said Mr D and Ms T would have been aware of the damage caused by the leak prior to the claim. So, he said QIC also declined the claim for the subsequent damage caused by the leak fairly.

Mr D and Ms T agreed there is no claim for the damaged pipe – and said they had never suggested this was the case to QIC. However, they didn't agree that it was fair for QIC to decline the claim for the resultant damage. They said when they did first notice damage and potential issues, around May 2021, they believed it pointed to damp. Mr D and Ms T said they then did everything possible to prevent further issues.

The complaint then passed to me.

## **My provisional decision**

I issued a provisional decision on 19 October 2022. In my provisional findings, I said:

*“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 intend to uphold Mr D and Mrs T’s complaint for these reasons:*

- *For the avoidance of doubt, I don’t think the damage to the pipe itself is covered under the policy.*
- *Regarding the internal damage, the policy says any gradual or maintenance related loss or damage is excluded from cover. QIC have applied this exclusion when declining the claim.*
- *QIC said the damage inside the property would have been visible in some areas for some time and has noted it was extensive. It’s pointed to the wall on the staircase and the architraves in the hallway in particular.*
- *Having reviewed photographs provided of these areas I’m not persuaded the issues highlighted here would automatically indicate there was a leak. Although the hallway for example, shows noticeable damage, such as what appears to be peeling/flaking plaster, I’m not persuaded it’s ‘extensive’. I think if the damage had been visible for a long time – I would expect to see more damage. So, I’m not persuaded Mr D and Ms T were aware of the issues before May 2021.*
- *It’s agreed by all that Mr D and Ms T wouldn’t have known there was a leak present under the property. When Mr D and Ms T did notice issues, they tried to take steps to remedy this by consulting a damp proofing expert.*
- *Mr D and Ms T were told by expert’s damp was the cause of the issues, and I see no reason for them to question the information they were provided until they were made aware of the leak. I think it’s reasonable that they relied on the opinion of the experts in this matter. We would generally say an insurer is entitled to do the same when it instructs experts.*
- *I do think Mr D and Ms T could’ve spoken to QIC when they first noticed the issues, but can’t see this has prejudiced QIC’s position given its comment on how long it’s said the pipe has been likely to have been leaking.*
- *So, considering the above, I don’t think QIC have applied the exclusion fairly to decline claim for the resultant damage caused by the leak.*  
*So for these reasons, I intend to uphold this complaint.*

*Putting things right*

*To put things right, I intend to direct QIC to now proceed with the claim.”*

## **Responses to my provisional decision**

Mr D and Ms T responded to say they accepted my provisional findings.

QIC provided no further response.

## **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.

Considering what I’ve set out above, I see no reason to change my decision – or my reasoning.

**Putting things right**

I direct QIC to now proceed with the claim.

**My final decision**

My final decision is that I uphold Mr D and Ms T's complaint.

To put things right, I direct QIC Europe Ltd to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms T to accept or reject my decision before 30 November 2022.

Michael Baronti  
**Ombudsman**