

The complaint

Mr B and Mrs M complain QIC Europe Ltd (QIC) unfairly settled their claim on their buildings insurance policy.

References to Mr B or Mrs M, will include the other.

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

What happened

Mr B and Mrs M had a leak from their shower which caused a hole to appear in the ceiling and leak on to the floor below.

As Mr B had a buildings insurance policy with QIC he rang them about the leak. QIC told him to call a plumber to stop the leak. A plumber attended and said he would need to remove the shower unit to access the leak. The plumber said it was likely that the shower unit would break when it was removed, and it would then not be able to be put back in.

Mr B made another call to QIC to check if his policy covered the shower unit. QIC confirmed it would be covered. Based on this information Mr B confirmed with the plumber to go ahead with the removal. When the unit was removed it broke apart and could not be refitted.

QIC accepted the claim but declined to pay out for the costs of a replacement shower unit. It said because the plumber who attended to stop the leak had said the shower unit was in poor condition and poorly installed this caused its collapse. It said removal and refit of the shower unit would have been possible had it been in a good condition.

As Mr B and Mrs M were not happy with QIC, they brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said QIC hadn't acted fairly and reasonably when declining the cost of a replacement shower unit as part of the claim. They said QIC had not shown why the policy terms about trace and access don't apply under the circumstances of this claim.

As QIC 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.

In this case to access and repair the leak, there was no alternative than to remove the shower unit.

I looked at the comments from the independent plumber who attended to trace the leak. He said; *“to fully investigate and repair the pipework the shower enclosure would need removing. Given the age, design existing installation methods and condition this would not be possible without damaging the enclosure.”*

I saw that because the plumber said the shower unit may be damaged when it was removed Mr B contacted QIC, as advised, to check if the shower unit would be covered.

I saw evidence that during this call Mr B was reassured by QIC a number of times that replacement of the shower unit was covered if it was damaged when being removed. There was no mention of any policy exclusions that may apply that would mean replacement of the shower unit may not be declined at a later date.

QIC said that the advice given during this call was correct at the time. But due to the poor condition, age, and installation of the shower this damage was not validated.

I saw that the plumber tried to remove the shower enclosure without damaging it, but it started to collapse, and the roof cracked. It was dismantled.

I have seen that QIC have settled for removal and refit of the shower unit but not for a replacement shower unit. QIC said the shower unit was not covered because it is *“satisfied that the shower unit was damaged from trace and access works due to the condition, age and installation and therefore, a replacement shower unit is not covered by the policy.”*

QIC's building services manager said removal and refit of the shower unit would be possible if it was in good condition. However it did not go out and inspect the shower unit itself, so I do not think it can say with certainty that its own plumber could have removed it without damage, notwithstanding its condition.

I looked at the terms and conditions of the policy. In the buildings cover section page 18 it says:

“Trace and access (finding the problem)

We will also pay up to £10,000 per incident for reasonable and necessary costs to remove any part of the building to find the source of damage to your home caused by:

- a. water escaping from any fixed water or heating installation, apparatus or pipes; or*
- b. oil escaping from any fixed oil-fired heating installation, apparatus or pipes.*

We will also pay to make good any damage to the building after the leak has been fixed, as long as this cost is covered by the £10,000 limit referred to above.”

I looked at the policy and could not find any reference to any exclusions that apply to the make good any damage term. And QIC did not mention potential exclusions to Mr B when he asked if his policy covered a replacement shower unit.

I don't agree with QIC that it is not covered under the terms of the policy. I think if the terms regarding trace and access are applied to the circumstances of this claim, the shower unit is covered under the *make good any damage to the building after the leak has been fixed* term.

I do not think QIC has acted fairly by not covering for the replacement shower unit. I think a replacement shower unit is a reasonable and necessary cost in the circumstances of this claim.

Therefore, I uphold Mr B and Mrs M's complaint and require QIC to pay for the cost of a replacement shower unit on receipt of a valid invoice. As the cost for installation of a new shower unit was included in the settlement already paid to them, I do not require it to pay anything further for installation.

My final decision

For the reasons I have given I uphold this complaint.

I require QIC Europe Ltd to pay Mr B and Mrs M the cost of the new shower unit.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs M to accept or reject my decision before 20 December 2022.

Sally-Ann Harding
Ombudsman