

## **The complaint**

Ms B has complained that QIC Europe Ltd (QIC) unfairly declined a claim for an escape of water at her home.

## **What happened**

Ms B was having a new bathroom fitted. When the plumber was finishing stripping the bathroom, he found a water leak. So, Ms B contacted QIC to make a claim. QIC sent a surveyor to inspect the damage. It then declined the claim because it said it was a gradual leak. It also said Ms B had breached the terms of the policy because it was unable to assess the severity of the damage prior to items being removed.

Ms B complained to QIC, which maintained its decision to decline the claim. So, Ms B complained to this service. Our investigator upheld the complaint. She said although the leak was gradual, QIC's field surveyor had said Ms B wouldn't have been aware of the leak due to its location. She said QIC should consider the claim without applying the exclusion for gradual damage. She also said although Ms B had removed items from the property, they were in a skip outside the property so could have been inspected.

As QIC didn't agree, the complaint was referred to me.

## **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.

Having done so, I uphold this complaint. I will explain why.

It doesn't seem to be in dispute that there was a water leak at the property. Both Ms B's plumber and QIC's surveyor found an issue with the kitchen wastewater pipe. However, the water leak was assessed to be gradually occurring. So QIC declined the claim because it applied an exclusion that said the policy didn't cover water leaks that happened gradually. I'm aware Ms B disputes that the water leak happened gradually, but based on the evidence I've seen, I think it was reasonable for QIC to decide this was the case.

Where a leak is gradual, I need to consider whether Ms B should reasonably have been aware of the leak and the gradual damage. I've looked at QIC's surveyor report. This said:

*"Given the extent of damage at the property this leak has been ongoing for a significant period of time, however we understand that the bathroom had a wet floor arrangement, along with the concealed pipework behind wall linings, it is likely the [policyholder] was unaware of the ongoing damage."*

So, I think QIC's surveyor assessed whether Ms B was likely to be aware and clearly explained why she wouldn't have been. As a result, I don't think QIC can fairly apply the exclusion for gradual damage.

QIC has also argued that because the bathroom had been stripped out, it wasn't able to assess the damage prior to the strip out to validate the claim. From what I've seen, Ms B has been consistent in her description of why the bathroom had been stripped out. This was because it was being refurbished. Ms B has said it was only when nearly everything had been removed from the bathroom that the plumber realised there might be a leak. He then investigated further and found the faulty connection. So, I haven't seen evidence to show the bathroom was stripped out because of the leak itself or that it happened after the leak was found. I can understand that QIC would have wanted to see the condition of the bathroom before it was stripped out, but it had already been stripped out before it was identified that there might be a leak.

QIC also said Ms B had breached a requirement in the policy that said "*You must not destroy or get rid of any damaged items without our agreement, as we may need to inspect them*". The items had been removed from the bathroom as part of it being refurbished and were available for inspection in a skip at Ms B's home. In the circumstances, I think that was reasonable and I'm not persuaded Ms B breached the policy.

As a result, I uphold this complaint and require QIC to reconsider the claim without applying the exclusion for gradual damage or terms and conditions related to breaching the policy because of the bathroom being stripped out or that the items were in a skip.

### **Putting things right**

QIC should reconsider the claim without applying the exclusion for gradual damage or terms and conditions related to breaching the policy because of the bathroom being stripped out or that the items were in a skip.

### **My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. I require QIC Europe Ltd to reconsider the claim without applying the exclusion for gradual damage or terms and conditions related to breaching the policy because of the bathroom being stripped out or that the items were in a skip.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 17 January 2023.

Louise O'Sullivan  
**Ombudsman**