

The complaint

Mr M and Miss M complain Covea Insurance plc has unfairly handled a claim they've made on their buildings insurance policy

What happened

Miss M has led the complaint with this Service so I've mainly referred to her throughout. References to Miss M and Covea include respective representatives and agents unless specified otherwise.

The background to this complaint is well known to the parties so I've included a summary here.

- Miss M owns a property insured under an insurance policy underwritten by Covea. There was a toilet blockage and subsequent sewage leak into the cellar of the property so Miss M reported this to Covea to make a claim on the policy.
- Covea appointed a specialist to investigate and it found problems with drains at the property were the cause of the release of sewage waste. Covea accepted the claim under the accidental damage part of the policy.
- Covea's agent made two attempts at fixing the problem but it wasn't until the third visit that it was resolved. After this, Miss M said water had still flowed into the cellar and she said this only happened following problems with the drains and the work undertaken by Covea.
- Miss M was unhappy with how the claim was handled and the extent of the work covered under the policy so she made a number of complaints to Covea. It issued two final responses in September 2021 and November 2021 in which it detailed its position on Miss M's complaints.
 - It accepted the claims process hadn't been explained clearly and it could have responded more quickly to Miss M's concerns. It paid £200 for the distress and inconvenience this caused.
 - It said there was no evidence to show the current ingress was connected to the previously leaking pipes or the repair work it had undertaken.
 - It said there was evidence to suggest water ingress had happened in the past and an attempt to instal some kind of render had been undertaken but this was wearing away. It offered to cap a pipe which it believed may have previously been used to drain away water from the cellar.
 - It declined to assist with the cost of reinforcing the damp proofing of the cellar as it considered this betterment and it wasn't covered by the policy.
 - It declined to assist with the cost of a replacement driveway as it said this was already in a poor state of repair before its involvement as a result of gradual movement.

- It did agree to cover the cost of some patch repairs to the driveway.
- It acknowledged the repairs should have been completed correctly quicker than they were and apologised Miss M's concerns weren't treated as urgently as they should have been. It offered an additional £250 for the distress and inconvenience this caused but this was rejected by Miss M.
- Miss M wasn't happy with Covea's response and raised a complaint with this Service. Our Investigator considered the evidence and initially upheld Miss M's complaint. But following further comments from Covea's civil engineer the Investigator didn't think Covea needed to do anymore with regards the current water ingress. Another Investigator considered the aspect of the damage to the driveway but didn't think Covea was responsible for this.
- Miss M wasn't happy with this and asked an Ombudsman to reach a 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.

When making a claim on an insurance policy, the onus is on the policyholder to show the claim is covered by the policy. I'm unlikely to tell an insurer to do something that's not covered under the policy terms. I'll be reviewing the evidence in light of this while keeping in mind what I consider to be fair and reasonable.

Covea instructing its own contractor

- In line with what I've said above, policyholders are expected to show their claim is likely covered by the policy. In this case, Covea asked Miss M to do this and so she instructed a damp proofing contractor and as a consequence of the report she had undertaken, Covea accepted the claim was one it would consider under the policy terms.
- Once a claim has been accepted, generally, insurers expect to be able to inspect damage to assess the extent of their liability and to decide on the most appropriate way to address the cause and undertake repairs. They do this by appointing their own specialists to undertake an inspection of the site and this isn't unreasonable.
- I'm satisfied Covea acted reasonably and in line with good industry practice in instructing its own expert to carry out this inspection.

The repeated visits

- The inspection concluded defective drains were the cause of the problem. Covea's agents made three attempts at repairing the problem over the following two months. During the course of these attempts a number of additional issues were identified which required the return visits.
- Raw sewage continued to leak into the cellar during this time. Covea did arrange for cleaning and sanitation of the cellar after each repair attempt was undertaken but I acknowledge this was still very stressful for Miss M. I note Covea offered Miss M alternative accommodation at this time in recognition of the nature of the ongoing problems but she declined this saying she just wanted the problem fixed as quickly as possible.

- Covea acknowledges it should have handled this part of the claim better than it did. Having carefully considered the evidence I agree. I can see there were times when there was confusion and miscommunication between Covea and its agents and I think this contributed to delays. And ideally, the problem would have been resolved on the first attempt rather than requiring multiple return visits by Covea's contractors.
- I've kept all this in mind when deciding on the compensation Covea should pay Miss M.

The remaining water/damp proofing

- Water continued to enter the cellar even after Covea completed the remedial work to the drains and Miss M believes this was caused by Covea's agents.
- Covea's agents tested the water and confirmed it wasn't from the drains and these had been satisfactorily repaired. It was likely the ingress was as a result of an ongoing ground water problem.
- Miss M instructed a damp-proof contractor to consider the damage. He provided a report with a brief explanation of what he considered the cause of the problem. He said it was likely the composition of the ground had changed due to water leaking from the damaged drains leading to water bearing pressure on walls during rainfall, resulting in ingress in the cellar. He recommended remedial work based on his findings.
- Covea's civil engineer, disagreed with these conclusions and pointed out the damp proof contractors weren't experts in soil behaviours and geotechnics. Instead, he concluded the continuing water ingress was due to the lack of adequate tanking and the presence of an uncapped pipe in the cellar.
- On balance, I find the opinion of the professionally qualified civil engineer to be more persuasive and I'm satisfied it was fair for Covea to rely on his opinion in saying the ongoing water ingress was unrelated to the claim for the damaged pipes and likely pre-existing. And because of this, I don't think it would be fair or reasonable to direct Covea to pay for upgraded tanking in the cellar.
- I note it has offered to cap off the pipe in the cellar and this is reasonable in the circumstances.

The damaged driveway

- Covea's drainage expert was of the view the driveway had been settling in various areas over time and this ground movement was the cause of accidental damage to the drains which had caused the original problems.
- It highlighted pictures available on the internet – which I have independently found – which show the driveway has been in a poor state of repair and deteriorating over a period of time. I've not been given enough evidence to persuade me the overall current state of the driveway is a result of work undertaken by Covea's agents or the accidental damage claim.
- Covea's agent said patch repairs to the driveway could be undertaken and offered to pay Miss M £720 towards this. It confirmed this agreement in its final response but it's not clear to me whether this has already been paid. Additionally, Covea's engineer made the offer of an additional £250 towards this but, again, it's not clear if

Covea made – or paid – this offer to Miss M.

- Overall, bearing in mind what I've said above, I consider these payments fair and reasonable in the circumstances.

Damage to the fencing

- I've not seen enough evidence to persuade me the damage to the fencing was caused by the damaged drains but I note Covea has said it will review its stance on this on receipt of further evidence from Miss M which I'm satisfied is fair in the circumstances.

Conclusions

For the reasons I've explained I don't think Covea needs to undertake any further remedial work but I do think it could – and should – have provided better service. I can understand why the delays in rectifying the initial problem were distressing for Miss M given the conditions she describes with raw sewage in the basement for longer than it needed to be while Covea found a solution to the problem.

I've thought about this very carefully, and taking everything I've said above into account, I think the additional £250 Covea has offered to pay Miss M for the distress and inconvenience it caused as a result of its poor claims handling and delays (on top of the £200 it's already paid) is fair and reasonable in the circumstances.

Additionally, if it hasn't yet paid Miss M the amounts for the patch repairs to the driveway (£720 and £250) it should now do so. These sums combined total £1,220.

My final decision

My final decision is that I uphold this complaint. Covea Insurance plc must pay Miss M the following amounts if it hasn't already done so:

- £250 in compensation, *and*
- £970 for costs related to driveway patch repairs.

Covea Insurance plc must pay the compensation within 28 days of the date on which we tell it Mr M and Miss M accept my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss M to accept or reject my decision before 23 February 2023.

Paul Phillips
Ombudsman