

The complaint

Mrs B and Mrs B complain about how Covea Insurance plc handled their claim on their home insurance.

Mrs B and Mrs B are joint policy holders, and have been represented by a third party throughout their claim and complaint. However for ease of reading I will refer only to Mrs B. But all references include the actions of both of the policyholders and their representative.

What happened

Mrs B had home insurance that was underwritten by Covea. In April 2022 she made a claim after an underground pipe burst in her garden causing a build up of water.

Covea initially declined the claim as it said cover for an escape of water was only provided where there was damage to the property itself and not just the garden. Mrs B enquired about accidental damage cover and Covea accepted that there could be a claim under this section of the policy. But it said that the damage was likely caused by wear and tear which is excluded. It said Mrs B would need to prove that it wasn't wear and tear by getting a cause of damage report.

Mrs B subsequently instructed a contractor to fix the leak and made good the damage to the garden. Covea eventually accepted the claim and paid the cost of the repairs.

However Mrs B was unhappy with how the claim had been handled from the start. She said Covea unfairly declined her claim for two different reasons and this delayed her from resolving the problem. She said she'd had to pay for a pump to keep the water from entering her house as the garden remained flooded for some time. She made a complaint but Covea didn't uphold it as it said its staff had followed its processes correctly. Unhappy with this Mrs B brought her complaint to this service.

Our investigator recommended the complaint be upheld. She said Covea hadn't acted fairly by asking Mrs B to prove that an exclusion didn't apply and because of this it had caused Mrs B additional distress and inconvenience. She thought Covea should pay £250 compensation and reimburse Mrs B for the cost of the pump including interest from the date she paid for it until the date of settlement.

Mrs B accepted our investigator's outcome however Covea didn't. It asked for the complaint to be reviewed by an ombudsman.

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 a claim is made, it's for the insured to show that there is an insured peril – something that is covered under the policy. It's then for the insurer to either accept the claim or prove that an exclusion in the policy would apply.

Here Covea initially considered the claim as an escape of water peril. Escape of water is a peril usually covered by home insurance policies, however usually it applies only to instances where water has escaped from a part of the water system in the home itself. Where the leak has come from an external underground pipe, this would usually be covered by a different peril in the policy.

Mrs B's policy defines an escape of water as:

'Loss or damage by water as a result of a burst, frozen, leaking or overflowing fixed domestic drain, water or heating installation, kitchen appliance or fixed domestic water piping/pipes.'

So I think it's clear from this that the peril would apply to domestic pipes within the property. I therefore don't think Covea did the right thing by initially considering the claim under this peril.

Further, it wasn't until Mrs B pointed out that it may be better considered under the accidental damage cover that it changed its position. This meant the claim was delayed more than it should have been.

Additionally, when Covea agreed the claim would be better made under the accidental damage cover, it said it would likely be excluded due to wear and tear. If the insurer relies on an exclusion to decline a claim it is for it to prove this exclusion applies. Here the exclusion was applied without any proof. And instead Covea asked Mrs B to provide evidence to show that it wouldn't apply. I don't agree this was fair in the circumstances. Mrs B had provided enough evidence to show that there was an insured peril, that there had been a leak from an underground pipe that she was responsible for. So I don't agree it was fair in the circumstances for Covea to ask her to prove that the exclusion wouldn't apply.

Based on this, I agree that Covea didn't treat Mrs B fairly or reasonably when handling her claim. And due to the delay it caused by declining her claim for two different reasons this caused Mrs B additional distress and inconvenience as it took longer for her to get the leak fixed and for her garden to be repaired. I therefore agree with our investigator that it should pay Mrs B £250 compensation to make up for this.

Further, as the water remained in her garden during this time, Mrs B had to buy a pump in order to ensure the water didn't reach a level that would mean it would enter her property. I therefore agree Covea should reimburse Mrs B for the cost of the pump on receipt of proof of the amount. It should also pay 8% interest from the date it was purchased until the settlement is paid to make up for the time Mrs B has been without the money.

My final decision

For the reasons I've given, I uphold Mrs B and Mrs B's complaint and require Covea Insurance plc to:

- Pay Mrs B and Mrs B £250 compensation.
- Reimburse Mrs B and Mrs B for the pump on receipt of proof of the cost.
- Pay 8% simple interest on the cost of the pump from the date it was purchased until the date Covea makes payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mrs B to accept or reject my decision before 16 March 2023.

Sophie Goodyear
Ombudsman