

## The complaint

Mr G has complained about Admiral Insurance (Gibraltar) Limited. He isn't happy about the way it dealt with a claim under his home insurance policy.

For ease of reading any reference to Admiral includes the actions of its agents which it is responsible for.

## What happened

Mr G made a claim under his home insurance policy as he had a leak outside his home address from a water pipe. But when his insurer, Admiral, looked into the matter for him it turned his claim down. This was because it felt the leak was caused by wear and tear which wasn't covered under the policy. As Mr G didn't agree he complained to Admiral and then this Service about this.

Our investigator looked into Mr G's complaint and upheld it. She could see Admiral had appointed an engineer to look into the claim, but she didn't feel that its evidence was sufficient to show that the leak was caused by wear and tear. So, she asked it to accept the claim and pay for the works Mr G had already undertaken after it declined the claim in line with the remaining terms and conditions of the policy, plus 8% simple interest.

As Admiral didn't agree the matter has been passed to me for review.

## 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 think the complaint should be upheld. I know this will come as a disappointment to Admiral, but I'll explain why.

Although I can understand Admiral's position and I accept that lead pipes such as Mr G's can suffer wear and tear I don't think it has sufficient evidence to support its position. As our investigator outlined its expert's report is short on detail and Mr G has questioned how thorough the investigation was. I can see that Admiral has subsequently provided some photographs in support of its position but there isn't any real explanation from its expert as to why they feel the leak was purely down to wear and tear. And without this it is difficult to say it has acted fairly in the circumstances of this case.

Indeed, Admiral has said *'Whilst I agree the report is not as detailed as we would hope...'* before going on to provide a general commentary as to why the kind of pipe used often suffers wear and tear. But I don't find this persuasive. I would expect its expert report to provide a detailed explanation as to what parts of the pipe were affected by wear and tear and why this caused the damage. And even after our investigator outlined this weakness in its report it hasn't looked to gain anything further from its expert to support its position which I would've expected it to do.

Ultimately, I don't think Admiral has provided sufficient evidence to fairly show that it can rely on the exclusion for wear and tear in this particular case. Given all of this, I agree that Admiral should pay the costs Mr G incurred having to put things right (subject to reasonable proof) in line with the remaining terms and conditions of the policy. Plus, it should pay 8% simple interest for the time he has been without the money.

### **My final decision**

It follows for the reasons given above, that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay the costs Mr G incurred after it declined the claim in line with the remaining terms and conditions of the policy (subject to reasonable proof). And it should pay 8% simple interest from the time of claim until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 April 2023.

Colin Keegan  
**Ombudsman**