

The complaint

Mr B and Mrs B have complained that Covea Insurance plc (Covea) unfairly declined a claim under their home insurance policy.

What happened

Mr B contacted Covea to make a claim. He said he'd found water on the floor of a bathroom. He had lifted the cistern lid and it flipped and broke part of the toilet. He called a plumber who carried out a repair but also found a hairline crack in the base of the cistern. Mr B didn't know if he had caused the hairline crack or if it was already there. Covea considered the claim and then declined it. When Mr B contacted Covea again, it agreed to send a surveyor to assess the damage. Covea then declined the claim again because it said its surveyor found evidence of long-term staining to the floor and there was no extraction fan in the bathroom, which might have contributed to the issue.

When Mr B and Mrs B complained, Covea maintained its decision to decline the claim. It said the staining to the floor indicated the leak had been ongoing for some time. The cistern and pipework also weren't available for inspection. It said for it to cover the claim, Mr B and Mrs B would need to confirm the damage was the result of a single act. They would also need to provide evidence that the pipework wasn't damaged due to wear and tear.

So, Mr B complained to this service. Our investigator upheld the complaint. He said Covea hadn't considered all the evidence provided by Mr B as part of the claim. He said Covea should pay Mr B £300 compensation.

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

I issued my provisional decision on 11 May 2023. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

When Mr B contacted Covea, he reported two issues. The first was that he had found water on the bathroom floor that was coming from the toilet. The second was that when he tried to find the source of the issue he dropped the cistern lid, which damaged the toilet. When a plumber visited, he found a crack in the base of the cistern. The plumber didn't know if the crack had been there for a long time or whether the crack happened when Mr B dropped the lid. Mr B also didn't know if it might be the cause of the water found on the floor.

Covea initially declined the claim, but then agreed to send a surveyor. When the surveyor visited the cistern wasn't in the bathroom and the flooring had already been taken up. The surveyor's report included several photos and said: "When the surveyor inspected the floor he observed that the damage was caused by the damage is due to condensation which has been occurring over a number of years outside the sanitary ware along with the spillage on the floor.

The customer did not require a declination letter." (As original)

The surveyor also seemed to record a voice note of his visit. I haven't been able to listen to the voice note, but I've read a summary of it, which said:

"staining to the wood – probable condensation, a build up over the years – no fan in the bathroom. [The surveyor company] were told it was a crack in the pan (no evidence of this) and then told cistern".

Covea declined the claim because it said the cistern wasn't available for inspection when the surveyor visited. It said this meant it was unable to assess if the leak was the result of an insured peril.

I noted the surveyor's report and voice note summary didn't say the cistern wasn't available during the visit. Mr B told this service the cistern was at the property. I asked Covea to explain why it had later said the cistern wasn't available. Covea had also said that only a decorator was at the property when the surveyor visited, whereas Mr B said Mrs B was also there. I asked Covea to provide evidence of who was at the property and who the person was that told the surveyor they didn't require a declination letter. I also asked Covea to provide evidence to show the surveyor had "found there to be staining to the floor which indicated that the leak had been ongoing for some time", which it said to Mr B and Mrs B in response to their complaint, as that wasn't what it said in the surveyor's report. Covea didn't provide me with any further explanation or evidence to support what it had said.

I also asked Covea to explain what consideration it had given to the surveyor referring to a "spillage", which might suggest a one-off event, and whether it considered Mr B and Mrs B's report from the plumber who attended to deal with the leak. I also asked Covea whether it had taken into account that the flooring in the bathroom had been removed by Mr B following the leak, so the floor the surveyor looked at was the surface under the normal floor. Covea didn't provide evidence to show it had considered these issues.

So, based on what I've currently seen, I don't think there is enough evidence to support the reasons given by Covea for declining the claim and I don't think Covea has shown that it fairly declined it. In the circumstances, I think it is reasonable for me to accept Mr B's explanation that the cistern was available for inspection and that the surveyor didn't inspect it. So, I think Covea had the opportunity to fully investigate the claim, but didn't do so. It is my understanding that the cistern is no longer available, as Mr B and Mrs B seemed to dispose of it following the surveyor's visit. I don't consider that unreasonable. So, I currently intend to say Covea should settle the claim for the reported damage, as I think that is the fairest way to resolve the claim in the circumstances. If settlement is paid as a cash settlement, Covea should also pay interest on that amount, as Mr B and Mrs B lost use of the money.

I also think Mr B and Mrs B were caused concern and inconvenience by the way Covea assessed their claim. So, I also intend to say Covea should pay Mr B and Mrs B £300 compensation to recognise this.

I asked both parties to send me any more information or evidence they wanted me to look at by 8 June 2022.

Mr B and Mrs B didn't reply.

Covea replied and, in summary, it:

- *referred back to a phone conversation between Mr B and Covea in which Mr B described dropping the cistern lid. It said that if the cistern lid was accidentally cracked when this*

was removed, it would record it as two separate incidents, as I had said it needed to repair all of the damage.

- said we should advise Mr B that an excess would be required for both claims, one of which would be an escape of water excess.
- said it disagreed with my decision and said Mr B had changed the circumstances on several occasions and had photos of everything except the damage, but it had no option but to accept.
- suggested Mr B spoke to his broker about the impact of the claims going forward.

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 and for the reasons given in my provisional decision. I've considered the comments in response to my decision and I note that Covea has now said it will deal with it as two separate claims. So, I've thought about this.

When Covea responded to Mr B and Mrs B's complaint, it said *"When registering your claim, you informed us that there had been a leak from the cistern of your toilet. When removing the lid from the cistern this was dropped possibly causing further damage"*.

It then went on to say:

"As the Claims Team were unable to inspect the original cistern and pipework they have been unable to confirm if the leak was as a result of an insured peril. In order for you to claim under the Accidental Damage section of your policy you would need to confirm what single act caused the damage which resulted in the leak. In order for you to claim under the Escape of Water section of your policy you would need to provide evidence that the pipe work wasn't damaged due to Wear and Tear. This is no longer possible as the items have been replaced and disposed of."

So, at that time Covea seemed to suggest to Mr B and Mrs B that the claim could, subject to appropriate evidence, be accepted as either accidental damage or an escape of water. It didn't say that it might be necessary to deal with the reported circumstances as two claims. I also note that although the cistern lid was broken, it isn't clear that the toilet or cistern didn't need to be replaced anyway as a result of the leak and that dropping the cistern lid therefore made a difference to this and required a separate claim.

Covea has had the opportunity to provide evidence of what happened during the visit and to demonstrate why its conclusions were reasonable, but it hasn't done so. I remain of the view that Covea needs to settle the claim and I'm not persuaded it has provided sufficient evidence to show it is fair to deal with it as two separate claims.

Putting things right

Covea should settle the claim for the reported damage. If it pays a cash settlement, it should pay interest on that amount. It should also pay £300 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is decision that this complaint is upheld. I require Covea Insurance plc to:

- Settle the claim for the reported damage in line with the remaining terms and conditions of the policy.
- Pay 8% simple interest on any cash settlement from the date on which the claim was first made to the date on which the payment is made.
- Pay £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 7 July 2023.

Louise O'Sullivan
Ombudsman