

The complaint

Mr and Mrs A are unhappy with the way QIC Europe Limited (QIC) handled their claim for two escapes of water.

Mr and Mrs A had buildings and contents insurance in joint names. For ease of reading, I'll refer mainly to Mr A throughout my decision.

What happened

Mr A claimed under his policy for a bathroom leak which also damaged his kitchen. QIC accepted the claim and carried out repairs. A few weeks after the repairs were completed, Mr A suffered another leak. This time, the leak was from the kitchen and originated from the area where QIC had been working.

Mr A made two complaints to QIC.

1. QIC didn't include his damaged kitchen floor tiles in the first claim.
2. QIC caused the second leak by completing a faulty repair, so it should cover the repair cost within the first claim. Mr A didn't agree it should start a second claim.

QIC didn't uphold either of Mr A's complaints, so he brought the matter to us.

The circumstances of Mr A's claim are not in dispute, so I won't repeat the detail here. Instead, I'll focus on summarising the key issues, giving my reasons.

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've decided to uphold Mr A's complaint. I'll explain why.

First escape of water

Mr A said QIC incorrectly declined cover for the broken kitchen floor tiles. QIC said its surveyor didn't note any problems with the tiles until a later visit. Therefore, QIC believes the tile damage was due to wear and tear or accidental damage rather than caused by the first escape of water.

QIC's evidence simply shows that the surveyor didn't note anything. But it's not unreasonable to think that the floor tiles could've cracked as part of the drying process, as explained by the expert surveyor. If that was the case, then the tiles would be part of the same overall claim, even if not evident until the repairs started.

However, subsequent events mean this issue of complaint has become irrelevant. QIC has agreed cover for the kitchen floor tiles as part of the second escape of water, so this issue of complaint will naturally be resolved.

Second escape of water

Mr A complains that QIC incorrectly treated the second escape of water as a new claim. He believes its contractor's poor workmanship, or an equipment fault caused the replaced isolator valve to fail. QIC believes the escape of water was caused by water freezing in the pipe and it should, therefore, be classed as a second claim under the policy.

I've considered this issue carefully and, on balance, I'm not persuaded by QIC's evidence that low temperatures caused the valve to crack. My reasons are as follows:

- QIC provided evidence that the temperature was -3.6 Celsius on the day the pipe leaked. While that is undoubtedly below freezing, it was the outside temperature. I think it's more likely than not that Mr A's home was warmer than that inside, and therefore unlikely that the pipe under his kitchen sink, enclosed in a cupboard, would be the same low temperature.
- Although QIC provided evidence of an increase in claims for frozen pipes due to sudden low temperatures, I note the dates referred to in the article it provided were some ten days after Mr A's claim.
- QIC's contractor fitted the valve and I understand they used the type considered to be good practice. Therefore, it's reasonable to expect the valve to withstand temperatures commonly experienced during winter months.
- The valve cracked a matter of weeks after it was fitted. This suggests there could've been a problem with the valve itself, or that it wasn't fitted correctly, such that the fluctuation in temperature had a greater effect than would otherwise be the case.

So, I think it's more likely than not that the valve cracked because, for whatever reason, it wasn't fit for purpose, and I'm not persuaded by QIC's suggestion that the second escape of water was an unrelated claim. Therefore, QIC should handle all aspects of Mr A's escape of water incidents as a single claim. If he has already paid the second excess fee, QIC should refund it.

Our investigator recommended that QIC pay £150 compensation for the distress and inconvenience caused to Mr A. In light of the evidence of avoidable delays and disagreement over aspects of the first leak which weren't included in the repair list, I'm satisfied that's a fair and reasonable sum.

My final decision

For the reasons I've given above, my final decision is that I uphold Mr and Mrs A's complaint, and QIC Europe Limited must:

- Treat the two leaks as one claim, including the kitchen floor tiles.
- Only charge one excess fee. If Mr A has already paid two, QIC should refund one of the fees.
- Pay Mr and Mrs A £150 compensation for the shortfalls in service and avoidable inconvenience identified.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 8 September 2023.

Debra Vaughan
Ombudsman

