

## **The complaint**

Mr L has complained about the standard of service provided by Ageas Insurance Limited ('Ageas') under his home insurance policy.

For the avoidance of doubt, the term 'Ageas' includes its agents, suppliers and contractors for the purposes of this decision letter.

## **What happened**

In early 2022, Mr L first noticed water running out of a wall vent at his home which occurred when the shower had been used. He thought that water was making its way into the cavity of the brick wall. He called a plumber who checked all the internal pipework but considered that the problem was external and related to the main sewage waste pipe into which the shower was connected. Mr L also engaged a survey company which had also identified an issue externally. Mr L stated that there's a constant flow of dirty, smelly water running across his patio which he had to power-wash on a regular basis.

Mr L said that Ageas' contractors wouldn't listen to him and dug a hole two metres away from the area of the suspected leak. The contractors then exposed and cut a hole in his neighbours' pipe and left, saying all was fixed, however Mr L said that the situation didn't improve. Mr L complained to Ageas and a contractor arrived with a drain camera. Mr L said the drain camera was inserted approximately two metres below the leak and the contractor said the drain was fine. Mr L said that Ageas never exposed the area he identified.

Ageas said that its contractor carried out a successful repair to the relevant external pipework. It thought that the problem stemmed from inside the house and wasn't covered by the relevant policy. It later stated that a claim for any potential leak source inside the house might be covered, but would need to be raised as a separate claim by Mr L.

Mr L submitted a complaint as he wanted Ageas to return and properly repair the leak. However, Ageas maintained its position and Mr L therefore referred his complaint to this service. He said he felt that Ageas hadn't been prepared to listen to him and hadn't treated him seriously. He'd paid the excess sum of £300 before the contractors started work. He felt that they'd been contracted to repair the leak but had failed to do so.

The relevant investigator upheld Mr L's complaint. Whilst the investigator appreciated Mr L's comment that the contractor carried out incorrect work, she hadn't seen 'reasonable evidence to verify this'. The investigator therefore didn't conclude that the contractor had erred. She noted that the contractor had suggested that the issue was inside the house after all, but Ageas didn't send anyone else to assess this. Even if the leak was internal, the investigator thought that Ageas should have fixed it under the policy. She considered that Ageas should pay Mr L £200 in compensation for the inconvenience and distress this whole process had caused him.

Ageas didn't agree with the investigator's view. In the circumstances, the matter was referred to me to make a final decision in my role as Ombudsman. In June 2023, I issued a

provisional decision for this complaint and explained why I was minded to uphold Mr L's complaint regarding the service quality element only, as follows; -

*'The key issue for me to determine is whether Ageas has applied the terms and conditions of its policy and generally treated Mr L in a fair and reasonable manner. On a provisional basis, I don't consider that it has, and I'll explain why. In reaching this provisional conclusion, I've considered both parties' submissions as summarised below.'*

*Mr L said that this problem had been ongoing since February 2022. He thought that Ageas' contractors may have patched a part of the drainage system, but not the area where there was a leak. He thought that they had also surveyed part of the drain which was two metres below the leak, and he produced a drawing to illustrate his point. He thought that the correct area of the leak had never been exposed by the contractors, but that his neighbours drain was exposed and that the contractors had cut a hole in it.*

*Mr L said that his own plumber had checked all internal pipework for a leak and had gone under the floor and removed part of a ceiling below. He confirmed that all the internal waste pipes were sound and considered that an area externally was the source of the problem due to ground movement. Mr L had also arranged for a drain survey to be carried out. He said 'it showed quite clearly the problem as to where the line of drain deviated' and 'showed a joint piece had dropped which left a hole from 12 o'clock to 03 o'clock in the sewer had a severity 4 rating and said this piece had dropped due to ground movement.'*

*Ageas had then authorised a repair and it appointed agents and contractors. Mr L felt that the contractors weren't prepared to listen to what he said regarding his plumber's advice and that they dug a hole two metres away from the suspected leak area. They then cut a large rectangular hole in his neighbour's pipe, but never explained the reason for this. When they left, they told Mrs L that all was fixed. When Mr L ran waste-water, he said 'it obviously was no better' and he contacted Ageas about the on-going problem.*

*Mr L said that he did receive another visit from a representative of the contractors, to carry out a drain camera survey. Mr L said that the contractor had been instructed to carry out a survey in the lower part of the drain which Mr L said was two metres below the leak. Mr L said that the drain survey which he'd obtained showed there was a connection on the sewer, close to house wall, which had never been uncovered or checked by the contractors. He said that during the survey conducted by Ageas' contractors, the representative also said; 'something was not right in that area and he would report it to his boss, but it never went any further with no follow up.'*

*In summary, Mr L said that the contractors never dug up and inspected the suspect leak area. He still had 'stinking water running across [the] patio which I have to power wash to stop it from continually going green and smelly.' Mr L considered the work carried out on behalf of Ageas to have been totally unsatisfactory and the waste-water leak remained as before. Mr L said that the problem had been going on for months with no solution found. He thought Ageas had been quick enough to ask for a £300 excess payment but had not been as quick to cure the problem.*

*I now turn to what Ageas has said about the matter. In its final response letter, it said that once it had received the 'cause of damage' report from Mr L's contractor, it appointed its supplier to assess and validate the claim in full. It said that its contractor attended Mr L's home twice to check on the repairs and 'could not find fault with their repairs.' It stated that the contractors considered that the issues 'you believe to have experienced' were due to an internal property leak and not due to the leak which it thought that its contractor had now rectified 'to their usual high standard'.*

*In its case records, Ageas had acknowledged that Mr L had provided images of 'what appeared to be a damaged drain which might be causing the high-level leak where the property is on a split level.' Ageas' contractors in turn produced a report and carried out works April 2022. They said: 'Investigations confirmed a large displaced joint. A[n] excavation was carried out to gain access to the drain, following which a patch liner (CIPR) was installed to restore full serviceability. We now close our file.' The contractors further considered that the drain which Mr L referenced, was where the drain material changed to clay. It said that from the CCTV photos that Mr L's contractor sent, there was 'no sign of any displacements or cracks on this area that could be contributing to issues.'*

*Ageas said that its drainage experts had re-attended Mr L's property twice and checked over their repairs and confirmed they were not faulty or causing any further leak. It thought that, as no further damage was found to the drainage system, it may be worth a surveyor attending to assess the internal aspects.*

*The contractors described the site difficulties; 'I would recommend we excavate on mark to hopefully find shaft as if we don't this excavation would be 1.7m deep and in such a small area due to a wall and the garage this may be difficult, if we find shaft we would attempt to install...repair over displaced joint. We are unsure if this will be achievable...' They referred to exposing pipework and cutting into a pipe so they we could install the repair. In May, it reported that their CCTV survey to check works found the repair 'not to be causing any issues' and believed the waste pipe connected to the shower could be the issue.*

*Finally, Ageas stated that the claim related to underground services and not an escape of water and was satisfied that the 'further leak reported was not as a result of the works on this claim.' It said that an internal leak would be classed as an 'Escape of Water' claim and that Mr L would need to contact Ageas to register this as a new claim under this different peril.*

*In reaching this provisional decision, the starting point is the wording of the policy documents which forms the basis of Mr L's insurance contract with Ageas. The policy covers both external and internal leaks as follows. I note that the policy wording states that it covers buildings in relation to 'Escape of water (water damage) as a result of a burst, leaking or overflowing fixed domestic drain, water or heating installation, kitchen appliance or fixed domestic water piping/pipes...' There is also cover for trace and access as follows; 'We will also pay up to £5,000 in total for the costs we have agreed to in advance, for locating the source of the water or oil damage including the reinstatement of any wall, flooring or ceiling removed or damaged during the search'.*

*Mr L reported a leak to Ageas in early 2022. I consider that it would have been reasonable to expect that Ageas would then diligently investigate the source of that leak whether internal or external. I appreciate that Ageas initially accepted the opinion of Mr L's plumber that the cause of damage related to external pipework. I also appreciate that it thought it had traced the problem and arranged a successful repair and resolved the problem. Unfortunately, the work hasn't fixed the leak of which Mr L complains. It may well be that Ageas carried out repairs to a problem it identified, however this problem was unlikely to be the cause of the leak. Ageas hasn't contested that a leak still exists, although it appears to be taking the position that a new leak has now emerged. On a provisional basis therefore, I consider that the most likely scenario is that the original leak had not been traced and fixed, despite Mr L being in regular dialogue with Ageas about the problem.*

*In exchange for Mr L paying his insurance premiums and following a claim, Ageas would be expected to investigate and resolve any leaks covered by his policy and complete works as appropriate. I don't consider that it's done enough to comply promptly, fairly and reasonably with its obligations under the policy. Whether the cause is internal or external, I consider that the problem arises from the same leak which Mr L reported in early 2022 and is still on-going*

18 months later.

*If the issue is due to faulty pipework inside the home, I consider that Ageas should urgently investigate and resolve the issue. If it is found that Mr L's plumber was correct and that the leak relates to the external pipework, then the likelihood is that Ageas' contractors hadn't successfully traced and repaired the relevant leak. There is also reason to question whether Ageas' contractors had successfully addressed the issue. Its notes clearly show that accessing the site wouldn't be straightforward and its contractor acknowledged that there appeared to be a further issue on site.*

*Whilst I recognise that Ageas' contractors attended Mr L's property on more than one occasion, Ageas didn't arrange an independent specialist to check the on-going problem. Mr L said that the contractor's representative who did conduct such a survey recognised that there was a separate issue and said that he would refer this separate issue to his 'boss', however Mr L heard nothing more. I'm persuaded that this conversation happened as Mr L was able to provide the individual's name. In addition to this, I'm persuaded that Ageas cut into the neighbour's pipework but has provided no explanation or reasoning for this. Indeed, it hasn't been explained whether cutting into the neighbours' pipe was the same activity which Ageas' contractors claimed to form part of the remedial work.*

*In summary and on a provisional basis, when Mr L repeatedly informed Ageas that his leak wasn't fixed, I consider that it should have investigated this matter further and sent fresh contractors or leak detection specialists to identify and fix the issue, whether the leak was inside or external to the property. Indeed, I note that its contractors recognised that this might be necessary and identified in its notes: 'the only other alternative would be to appoint a leak detection company to address where the water is coming from'. My provisional conclusion is that Ageas hasn't done enough to put things right in relation to what is likely to be an insured peril. I don't consider it fair or reasonable to expect Mr L to submit a new claim or pay a further excess fee under a different peril and I agree with the investigator's conclusion in this respect.*

*On a provisional basis, I also consider that the inconvenience and distress caused to Mr L has been substantial and he's had to experience it for far longer than necessary. Whilst I am satisfied that Ageas' contractors tackled a drainage problem which had been detected, it should have promptly recognised and accepted that this did not resolve the leak. Mr L informed it that this was the case within a few days of the contractors attending the property. Ageas should have taken the responsibility of appointing a leak detection specialist as soon as the on-going problem was reported by Mr L. Ultimately, he had to tell Ageas on multiple occasions that the leak was still present.*

*Mr L has now been living with this issue for 18 months and it appears to be no closer to being resolved. This has undoubtedly caused on-going distress and inconvenience. I've seen no evidence that Ageas has tried to proactively assist Mr L in getting to the bottom of the issue. Whilst water leaks can be complicated to trace and resolve as the source is often hidden or buried, Mr L's insurance policy would have given him peace of mind that he would be covered in the event of such difficulties. In the circumstances, and on a provisional basis, I consider that compensation of £500 would better reflect the level of inconvenience and distress caused to Mr L for an extended period.*

In my provisional decision, I asked both Mr L and Ageas if they had any further comments or evidence which they would like me to consider before I made a final 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.

Both Mr L and Ageas have accepted the provisional decision in full. In the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter and I uphold Mr L's complaint as follows.

### **My final decision**

For the reasons given above, I uphold Mr L's complaint and to require Ageas Insurance Limited to do the following in response to his complaint: -

- To promptly appoint an independent leak detection specialist to assess the issue and to promptly arrange for an independent specialist contractor to fix the leak, OR
- At Ageas' option, to allow Mr L to appoint his own specialists as above and reimburse Mr L the total costs of detection and repair on receipt of formal invoices paid by Mr L.
- To pay Mr L £500 in compensation for the distress and inconvenience caused by the delay in resolving this issue, within 28 days of his acceptance of this final decision.

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

Claire Jones  
**Ombudsman**