

The complaint

Mr and Mrs A complain about esure Insurance Limited's (esure) handling of a claim for an underground pipe leak on their home insurance policy.

Any reference to Mr and Mrs A or esure includes respective agents or representatives.

Mrs A or her daughter has dealt with the correspondence relating to this complaint so for ease I will mostly refer to Mrs A.

What happened

In early November 2022, Mrs A made a claim on their home insurance policy for a leak at their property.

Esure appointed a contractor to attend on 23 November 2022. The engineer started his investigation and dug a large hole just outside the property's back door to try and locate the leak. There were no pipes in this location and Mrs A was concerned that the engineer had removed some bricks from the external wall of the house/foundation. The engineer then left without tracing the leak and just covering the hole in the ground with a board he told Mrs A that this was a two-man job and that the contractor would be in touch to arrange a subsequent appointment. Mrs A chased the contractor later that date as she was concerned about being left with the hole and she informed it that she needed this urgently dealt with as both her and Mr A's mobility wasn't very good, and Mr A also has dementia, so this was a real cause of concern.

A couple of days later Mrs A chased the contractor again as she still hadn't received notification of when it intended to return. It arranged to come the following day. Mrs A reiterated that she had been told it was a two-man job and was informed that two engineers would be attending.

However, on this second visit only one engineer arrived and again the source of the leak couldn't be located although the area of the leak was narrowed down when Mrs A and her daughter suggested to the engineer that a stopcock was installed. The engineer then said a second hole would need to be dug to re-route new pipes below ground and cap off the old pipes. However as this was two-man job the engineer left. Following this Mrs A made a complaint. The contractor apologised and arranged a visit for the following day and Mrs A received a summary resolution letter from esure.

The third visit occurred on 1 December 2022. Two different engineers attended and didn't complete the underground re-routing instead it did an above ground re-route. Mrs A said by this point she didn't object as she just wanted the leak fixed, the hole filled and the engineers to leave. However, she asked before they filled the hole could she be called to look at the works as she wanted to ensure the house bricks were reinstalled in the foundation.

However, when called outside the engineers had already filled the hole. Mrs A says she was left with some damage to a wall where the engineer removed a piece of wood that she says they had no need to touch as it didn't affect the re-routing of the pipework. Mrs A's external

tap was not working, she had a replacement but as it wasn't part of the insured works the engineer wouldn't fit it, she was advised to call a plumber. Mrs A had a plumber come later that day to change her outside tap the plumber found the pipes that had been installed were leaking so fixed this as well. Mrs A has since found the hole that was filled has started to sink so needed the works to be re-done and Mrs A feels this all demonstrates the poor workmanship of esure's contractor. On 10 December 2022 Mrs A made a further complaint to esure.

Mrs A is unhappy that esure hasn't provided full response to the complaint she raised, so she brought her complaint to this service. She feels esure hasn't explained as to why the hole was dug in the first place, why the wood was removed and then deemed it acceptable to leave the property damaged without repairing it, why the works weren't carried out as discussed at the second visit and she now has unsightly external piping and that the works overall were poor which led to her plumber having to fix the leaks. Mrs A has said she could've had the same work done by her own plumber for around the cost of her excess but now has the added impact of the claim on her premiums.

Esure has accepted that there was poor service as it has accepted the quotes Mrs A provided to excavate and repair the hole and to repair the damage to the wall. Esure has agreed to cover this and paid £300.

Our investigator contacted esure to gather further comments regarding the complaint points. Esure made an offer of £200 compensation for the poor service.

Our Investigator upheld Mrs A's complaint but didn't feel the £200 compensation was fair and increased this to £400 as esure hasn't provided reasoning for why the hole was dug where it was, the second contractor indicated the rerouting work could be done underground and then it was done overground. In addition, the hole caused Mr A distress as the door had to be locked as it wasn't safe for him to be outside. With Mr A's dementia the lack of routine caused him to refuse to eat and wash and they had the distress and inconvenience again when the work had to be re-done.

Esure agreed to our Investigators outcome, but Mrs A didn't accept the amount of compensation. In summary she says that esure has taken an excessive amount of time in handling the complaint, she is unhappy with the look of the completed works - and says the pipes should've been underground. There is also an ongoing issue that the pipework is now beginning to detach itself from the clips and Mrs A is afraid to push it back into the clips as she feels the pipe will snap so at some point says they will need to get further assistance to fix this. In addition to this Mrs A has raised that her premiums have increased and feel this should be considered in the compensation awarded.

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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed.

Mrs A's policy covers for accidental leaks on underground services and the claim was accepted by esure.

It isn't under dispute that Mr and Mrs A received poor service. I understand Mrs A is frustrated that esure didn't respond fully to her complaint points. Instead, it focused on the quotes that Mrs A obtained to fix the sinking hole and damage to the wall rather than explaining why these things happened in the first place. Unfortunately, it isn't always clear why things happen as they do and although I can empathise with the frustration this has caused, I would expect esure to rectify this and I am pleased to see it has paid the quotes.

However, I agree with our Investigator and Mrs A that the £200 compensation esure offered whilst we were investigating the complaint wasn't fair or reflective of the impact on Mr and Mrs A. And I agree with our investigator that this should be increased to £400. I know Mrs A will be disappointed, but this is in line with our compensation awards, and I'll address the further issues she has raised.

I can appreciate Mrs A feels that the complaint process has been long and drawn out however how esure handles its complaints isn't a regulated activity so it's not something I can consider in this case.

I understand Mrs A feels unhappy about the overground external pipes and I've considered this loss of expectation as part of this compensation.

If there are new issues with the pipework coming away from the brackets/clips, this will need to be raised with esure in the first instance, I'm unable to consider this under this complaint as esure haven't had an opportunity to address it.

Finally with regards to the increased premiums, Mrs A says she could've had the same work (overground re-routing) done privately for the cost of her excess. As part of this investigation, I've listened to the call Mrs A made to esure when she enquired if she was covered by her policy.

The advisor clearly explained the claim process. She made Mrs A aware that she wouldn't pay the excess on the policy unless she went ahead with the claim but regardless of the claim going ahead or not, the premiums would still be affected if the insurer sent a contractor out to investigate the leak. I appreciate Mrs A says that she only went ahead with the claim as she was told the re-route would be done underground. But Mrs A didn't know what works the Insurer would do when she asked her insurer to send a contractor and she had been informed that her premiums would be affected by this action regardless of what works were completed.

I note Mrs A has a quote for an overground re-route for the same cost of her excess prior to making the claim so she was aware of her options. And I can see the costs esure have paid to its contractor for the investigations and works are significantly more than the excess paid so although Mrs A has a quote for £125 it was for labour only and I'm satisfied this wouldn't include all necessary costs. So, although I can understand Mrs A's disappointment that her premiums have increased, I'm satisfied she was aware that this would be the case from the outset. So, I won't be considering this further in the compensation amount I've awarded.

Putting things right

I instruct esure Insurance Limited to pay Mrs A £400 compensation for the distress and upset caused. It should pay this compensation within 28 days of the date on which we tell it Mr and Mrs A accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

My final decision

For the reasons given above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 22 February 2024.

Angela Casey
Ombudsman