

The complaint

Miss M complains that QIC Europe Ltd (QIC) declined to include damage to her stairs, in a claim she made following an escape of water, under her home buildings insurance policy.

What happened

In December 2022 a pipe burst in Miss M's loft space. The resulting escape of water caused extensive damage to her home. QIC assessed the damage and arranged for the property to be dried. It produced a schedule of works and offered to arrange the repairs or provide a settlement payment.

Mrs H informed QIC that three of her stairway treads had cracked during the drying process. It sent an assessor to inspect the damage but didn't think this was caused by the escape of water. The assessor thought the cracks looked too old and had flecks of paint in them - indicating the damage was present before the pipe had burst.

Mrs H didn't agree. She says water poured down the stairs as a result of the burst pipe. The leak caused a painted plasterboard ceiling to collapse. She says this is the more likely reason for the paint flecks, than the reason QIC had given. Mrs H thought the damaged stairs should be included in the scope of works. QIC didn't. So, she referred the matter to our service.

Our investigator upheld her complaint. He says there was no reference to the cracked stairs in QIC's initial assessment of the damage. In addition, its assessor didn't inspect the stair tread damage until three months after the escape of water – and two months after the drying process was complete. Our investigator didn't think QIC had definitively shown the stair damage wasn't caused by a combination of the escape of water and drying process.

In light of this our investigator says QIC should include the damaged stair treads in its scope of works. He says a new scope of works should be provided along with an updated settlement offer. In addition, he says QIC should pay Miss M £400 compensation for the distress it caused her due to her home remaining in its damaged state for around seven months.

QIC didn't agree. It says its assessor is a qualified expert damp specialist. It maintains that the cracks in the stairs are historic and aren't covered under Mrs M's policy.

As an agreement couldn't be reached the complaint has been passed to me to decide.

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'm upholding Miss M's complaint. Let me explain.

There's no dispute that an escape of water is an insured event covered under Miss M's policy. QIC must therefore cover the cost of repairing the damage, in line with its policy

terms and conditions. This is unless it can reasonably rely on a policy exclusion not to. In Miss M's claim QIC says the damage to the stairs was pre-existing – this isn't something covered under her policy. So, although it has produced a scope of works to cover most of the repairs, it declined to include the stair tread damage.

My focus here is to consider whether QIC has reasonably shown that the damage to the stairs occurred prior to the escape of water. I don't think it has, and I'll explain why.

The loss occurred on 17 December 2022. A survey of the damage took place at the end of that month. This didn't include reference to any damage that was observed, or repairs that were required, to the stair treads. I note Miss M says she contacted QIC after the property had dried out to report this damage. She says cracking had occurred as a result of the drying process. From the records, the drying work commenced shortly after the claim was made – I understand the property was certified dry on 26 January 2023.

I've read the report provided by QIC's surveyor in December 2022 and looked at the photos that were taken. I've also looked at the later photos that were taken showing the cracked stair treads. In addition, QIC sent photos taken by its regional surveyor, who visited Miss M's property on 21 March 2023 to inspect the damaged stairs. I've examined these photos as well.

In a message to Miss M, QIC's surveyor says, *"As I advised at the time of my inspection [21 March 2023], the damage to the stair treads was not deemed to be as a result of the peril. The cracks do not show fresh clean timber which would indicate they are recent and there is clear evidence of paint flecks inside and on the edge of the cracks. This would indicate they are historical and were present when the staircase was last decorated...Based on the above I am not looking to include the repair / replacement of the stair treads as part of the claim."*

The photos show the cracking in the stair treads is very narrow. I think it would be difficult to see whether 'fresh clean timber' had been exposed. The surveyor also refers to paint flecks inside and on the edge of the cracks. Although I note the surveyor's comments, I don't think this provides definitive proof that the cracking is historic. Miss M's points out that a painted plaster board ceiling had collapsed above this area. This meant the stairs were exposed to the debris from the collapsed ceiling. When cleaning the area, Miss M says she swept the stairs and that some of this material could've got into the cracks, which she thinks is what the surveyor saw.

In her complaint correspondence Miss M says there was a delay in QIC inspecting the damaged stairs. This is why fresh clean timber wasn't visible in the cracks. I think Miss M makes a fair point here. The inspection was two months after the drying work had completed and three months after the escape of water. I think it's reasonable that this could've impacted on the appearance of the cracks in the timber.

I acknowledge QIC's comments that the surveyor who inspected the damage is a damp specialist and a qualified expert. I don't dispute this. But I don't think QIC has, in all reasonableness, shown that the stair damage was already present prior to the escape of water based on paint flecks and the appearance of the timber.

I must also consider that there was no reference to any damage in this area when the first inspection took place in December 2022. If this damage was historic, as QIC says it is, I'd expect this to be noted in its inspection report. The cracking is clearly observable in the later photos. But it wasn't observed during the inspection in December. This casts further doubt on QIC's view that the damage is historic and should be excluded from Miss M's claim.

In these circumstances I think it's fair that QIC should include the damaged stairs in Miss M's

claim. Given the time elapsed from the original scope of works, it's reasonable that QIC should reassess this, and its settlement offer, to ensure this is reflective of what it would cost it to carry out the repairs.

I've thought about the impact all of this had on Miss M. Part of her claim was unfairly declined, which has caused her significant inconvenience over a period of many months. She still has no floor coverings because of this ongoing issue, which has added to the distress and inconvenience she's experienced. In these circumstances QIC should compensate Miss M for this. I agree with our investigator's assessment that £400 is fair.

My final decision

My final decision is that I uphold this complaint. QIC Europe Ltd should:

- provide a revised scope of works to include the stair damage, including a revised settlement offer to reflect the current cost of repairs; and
- pay Miss M £400 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 October 2023.

Mike Waldron
Ombudsman