

The complaint

Mr and Mrs M complain that QIC Europe Ltd (QIC) unfairly declined their home insurance claim. Any reference to QIC in this decision includes its respective agents unless specified otherwise.

What happened

The background of this complaint is known in detail to the parties involved so I'll summarise what I've found to be the key points.

- Mr and Mrs M made a claim on their QIC policy for an escape of water from their bathroom into the lounge below. QIC sent a surveyor to their property, who said the water was likely coming from the shower cubicle but made no finding on the cause.
- The surveyor said Mr and Mrs M would need to arrange their own plumber to find the cause of the water damage and fix the issue before QIC could consider the claim further.
- Mr and Mrs M appointed and paid for a plumber who found and repaired the leak which they said was coming from a drainage pipe, underneath the shower floor tiles and MDF shower base. The plumber also carried out the necessary works to make good any damage after the leak had been fixed. Mr and Mrs M sent QIC evidence of the costs they incurred along with photographs as previously advised by its surveyor.
- QIC declined the claim on the basis that their surveyor had noted in their report that some fresh sealant had been applied in an area of the shower. And on receipt of the further images from Mr and Mrs M showing the area underneath the shower after it had been removed, this appeared to be the same area where the wooden beams were most wet. QIC therefore concluded that a failure of the sealant/gradual deterioration was the cause of the damage which is excluded under the policy.
- Mr and Mrs M disagreed. They said they acted on the advice of QIC's surveyor by instructing a plumber to find and repair the damage and that the surveyor never mentioned any suspicions regarding failed sealant. They thought it was unfair of QIC to decline the claim after they'd incurred costs. They also provided a letter from their plumber confirming the cause of the leak.
- QIC maintained its position, so Mr and Mrs M brought a complaint to this Service. On balance, our investigator thought the exclusion had been fairly applied and so didn't uphold the complaint. Mr and Mrs M disagreed and asked for an Ombudsman to review the complaint.

The complaint was passed to me to decide. In September 2023 I issued a provisional decision explaining my intention to uphold it. I've included part of what I said in this below.

- *Mr and Mrs M's plumber has confirmed in writing that there was a leak from their main shower drainage pipe found underneath the shower floor.*
- *QIC seem to accept there's been an escape of water at Mr and Mrs M's property. But the cover available for this is subject to certain terms, conditions and exclusions.*

- *In declining Mr and Mrs M's claim, QIC has referenced an exclusion in the policy which says that QIC doesn't cover – "loss or damage caused by sealant or grout failing to work properly or by an inappropriate sealant or grout being used."*
- *For QIC to be able to rely on this exclusion to decline the claim, it must be able to show, on balance of probabilities, that it applies. But from what I've seen so far, I'm not satisfied it's done this. I'll explain why.*
- *QIC's surveyor report said that there were no visible signs of defect to the grout or sealant but noted there was previous fresh application of sealant towards the front right corner of the shower. The surveyor makes no comment on the significance of this or that it has any bearing on the escape of water being claimed for.*
- *QIC says it reviewed Mr and Mrs M's plumber's findings but didn't find them persuasive as there was no photographic evidence of the alleged failed pipe. Instead, it said the images showed the floor underneath the shower was most wet in the area the fresh sealant was applied. This, alongside the surveyor's comments led it to conclude this was most likely where the water escaped from and so wasn't covered in line with the above exclusion.*
- *In my opinion, the images I've seen show multiple areas of wet timber. On balance, I would disagree the images show this to be more concentrated in the area QIC alleges. I'm not persuaded by QIC's argument relating to this. And a small area of fresh sealant simply isn't enough in this case to demonstrate that this was the most likely cause of the escape of water being claimed for by Mr and Mrs M.*
- *It follows based on what I've seen so far, I'm not currently persuaded that QIC has shown the exclusion it's relied on applies. To put things right I'm minded to direct it to accept the claim and pay 8% simple interest on the claim settlement it pays to Mr and Mrs M.*
- *I note Mr and Mrs M's point that they only instructed a plumber on QIC's advice to do so. They say they had to save up for this work and were unable to use their shower while doing so. Mr and Mrs M believe they complied with all the requests QIC made and so have found its handling of the claim particularly upsetting.*
- *Given the point that Mr and Mrs M seem to have trace and access cover on their policy, I'm unsure as to why this wasn't claimed under to find the source of the leak, and instead QIC required them to instruct their own plumber to carry out the works before it would consider the claim, potentially elongating the process.*
- *Furthermore, I've not seen evidence to show that in telling Mr and Mrs M to appoint their own plumber, that QIC suitably managed their expectations – as I think would be reasonable in this particular case – about what it expected from them when doing this and the potential impacts on the claim.*
- *Taking everything of what I've seen so far into consideration, I'm currently persuaded there's been a level of avoidable distress and inconvenience caused to Mr and Mrs M in this case. I'm likely to conclude that QIC should also pay them £150 compensation to recognise this.*

Mr and Mrs M accepted my provisional decision, but QIC did not. In summary, it's reasons for this were:

- *It maintains the images from Mr and Mrs M's plumber show the area that's suffered the most water damage to be below the application of fresh sealant. The wood colouring and nature of the damage is consistent with this happening gradually.*
- *It's not seen any images from Mr and Mrs M to determine that a leaking pipe was the*

cause of the damage. It says the images show the water damage to be above the wastepipe which contradicts Mr and Mrs M's plumber's findings as water flows downwards and therefore would be below the pipe if this was the escape point.

- It doesn't agree the fresh sealant was to a small area.

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.

While I've summarised my findings to focus on what I consider to be the central issues in this complaint, I can assure QIC I have reviewed its response in full before issuing my final decision. And in doing so, the outcome I reached remains unchanged. I'll explain why.

I'm still of the opinion that from what is visible in the images provided, multiple areas look to be wet underneath the shower. But even if the sealant has leaked at some point as QIC allege, it hasn't persuaded me that this has contributed to, or been the cause of the leak that's being claimed for in this case.

I'm satisfied that QIC had sufficient opportunity to assess and make a finding on the likely cause of the damage when it sent its surveyor out to Mr and Mrs M's property on notification of the claim. But no such finding seems to have been reached and instead Mr and Mrs M were advised to gather this information themselves before the claim could be considered.

QIC's surveyor made note of a number of observations including "*previous fresh application of sealant towards the front right corner adjacent to the shower door*", but the overall finding on the cause of damage was "*Level of repair presently unknown until plumbers' attendance and any invasive repairs undertaken*", with no further mention of the sealant or its potential involvement in the leak. Something I think the surveyor likely would've mentioned as part of their findings, had they thought that was a possibility.

In any case, Mr and Mrs M did as QIC advised and appointed their own plumber to diagnose the cause. The plumber provided written confirmation saying that the cause of visible damage was the result of a leak in the main shower drainage pipe. And I've been given no persuasive reason to explain why the plumber would say this if it wasn't the case.

Mr and Mrs M's plumber provided their expert opinion after seeing and attending to the entirety of the damage in person, whereas QIC has mainly made its findings based on photographs sent in retrospectively on its request. With all that in mind, I'm more persuaded by Mr and Mrs M's plumbers' findings.

It follows on balance of the information available to me, I'm not persuaded that QIC has shown the exclusion it's relied on applies in the circumstances of this particular case. To put things right QIC should now accept the claim and pay 8% simple interest on the claim settlement it pays to Mr and Mrs M. And as set out in my provisional decision, it should also pay them £150 compensation for the distress and inconvenience caused.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. QIC Europe Ltd must:

- Accept the claim. 8% simple interest should be added to the claim settlement amount QIC pays to Mr and Mrs M from the date of the loss to the date of settlement.

- Pay Mr and Mrs M £150 compensation for the distress and inconvenience caused in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 25 October 2023.

Rosie Osuji
Ombudsman