

The complaint

Mr P complains that Covea Insurance plc is responsible for damage caused to his home as a result of repairs carried out after a claim on his buildings insurance policy.

What happened

In 2022 Mr P found there was a leak of water. Hollow voids seen under the floor slab indicated the leak had been ongoing for some time. He made a claim on his buildings insurance. The insurer underwriting that policy said the claim was not covered because there was no accidental damage and the pipe had failed due to wear and tear.

Mr P complained and another ombudsman issued a final decision on that complaint. The ombudsman didn't uphold the complaint but said the insurer should check if it had been Mr P's insurer at the time of a previous claim in 2012, because Mr P now had evidence suggesting the problem was due to repairs carried out at that time.

That insurer said it was not responsible for the insurance Mr P had in place in 2012. He was referred to Covea, who said it had dealt with the previous claim.

Covea said it was not responsible for damage caused by the leak. Mr P complained and in its final response, Covea said:

- It had settled the claim for accidental damage in 2012 with a cash payment; it had not appointed the contractors and was not responsible for their work
- The problem was considered as possible subsidence but the expert evidence it had obtained shows there is no subsidence and the sinking floor is likely due to the fill below the floor slabs. This was a gradual occurrence, which wasn't covered by the policy.
- If the problem had been caused by defective work in 2012, it would have become apparent much sooner.

Mr P referred the complaint to this Service but our investigator did not think it should be upheld. She said:

- Covea paid a cash settlement for the claim in 2012; it didn't instruct the contractors and is not responsible for their work.
- There is no evidence of subsidence. The problem is more likely caused by a gradual sinking of the fill material below the floor slabs which, as a gradual occurrence, is not covered by the policy.

Mr P disagreed and provided further comments but the investigator did not change her view. So he's asked for an ombudsman's 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.

Mr P says the water supply pipe was damaged when repairs were carried out following a claim on his policy in 2012. I've considered whether it would be fair to hold Covea responsible for this damage and I don't think it would be.

Insurers can generally choose to repair, replace or pay a cash settlement to settle a claim, and the policy terms confirm that Covea may choose to arrange for the work to be done or pay the cost of the work. Covea didn't arrange for the repairs – it made a cash settlement and Mr P instructed the contractors.

Mr P has obtained a report that says the pipe was likely damaged when the repairs were carried out in 2012. His contractor also says this is the likely cause. But Covea had no direct involvement in the repairs and so is not responsible for that. Mr P says he had no real choice in which contractor to use, as Covea would only pay for the cheaper option. But the repair was carried out by the contractors he instructed and Covea did not appoint them, it only paid the cost.

If the work done in 2012 is not the cause of the damage, the evidence indicates it is something that has happened gradually. A report obtained by the insurer in 2022 advised that the pipe was not protected with bedding material or laid inside ducting, and the leak was likely due to poor installation and gradual wear and tear of the pipe.

If that's the case, it's excluded by the policy, which includes an exclusion for *"Loss or damage arising from gradually operating causes including deterioration, wear and tear, corrosion, rot or similar causes."*

Two possible causes have been put forward for the problem. If the cause was the work done in 2012, Covea is not responsible for that, and if it's due to the pipe failing over time, it's not covered by the policy. So either way, Covea is not responsible. I appreciate it's a very difficult situation for Mr P, but I don't think it would be fair to hold Covea responsible for the damage in these circumstances.

My final decision

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 December 2024.

Peter Whiteley
Ombudsman