

The complaint

Mr and Mrs H are unhappy that Admiral Insurance (Gibraltar) Limited declined their escape of water claim.

Mr and Mrs H jointly held home insurance underwritten by Admiral. For ease of reading, I'll refer just to Mrs H throughout my decision.

What happened

The background to this complaint is well-known to both parties. So I've set out a summary of what I think are the key events.

In 2020, Admiral handled Mrs H's claim for an escape of clean water from her toilet. At the time, Mrs H thought it should've replaced the floorboards, but Admiral said the boards were dry.

In 2023, Mrs H found water damage in the same place. She had home insurance with a different insurer but, because she thought it was a continuation of the original escape of water, Mrs H asked Admiral to cover her claim for the cost of repairs.

Admiral declined the claim because it didn't think the damage was caused by the original leak, and it was no longer Mrs H's insurer. So Mrs H complained.

Admiral looked into the complaint and responded to say the evidence showed it had carried out a full repair in 2020. Therefore, it was unlikely the same leak continued and caused damage that only became evident three years later. Admiral advised Mrs H to speak with her new insurer.

Unhappy with its response, Mrs H brought her complaint to us.

Our investigator considered the complaint, but she didn't think it was one we could uphold. She said Mrs H hadn't provided evidence to show Admiral was responsible for the claim.

Mrs H didn't agree. She said her independent report, and that of her current insurer, supported her complaint. So the complaint was 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've decided not to uphold Mrs H's complaint. I understand both she and Mr H will be disappointed with my decision, but I haven't seen evidence to persuade me that Admiral should settle the claim. I'll explain.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. My role is to look at the evidence and decide whether Admiral treated Mrs H fairly, and reasonably turned down her claim for repairs under her old policy as part of her previous claim.

To uphold Mrs H's complaint, I'd need to be persuaded by the evidence that the damage was, more likely than not, a direct result of the original escape of water, and that Admiral unfairly declined her claim.

It's Mrs H's responsibility to show she has suffered damage caused by an insured peril during the term of her policy. There's no dispute that the original escape of water caused damage and Admiral settled that claim at the time. But Mrs H thinks it didn't complete an effective repair, therefore allowing the damage to continue.

I've looked at the independent report Mrs H provided to support her claim, but it doesn't state that the damage was caused by the same leak Admiral repaired in 2020. It simply reports that the damage had been ongoing for some time and comments on increased moisture levels in other, unrelated, parts of the bathroom.

The photos in the report, and those provided by Mrs H, show the damage was to the same area of flooring, and the extent of the damage supported the report's conclusion that it had been ongoing for some time.

Looking at the report from Mrs H's existing insurer, I can't reasonably say it makes any conclusion to support her complaint regarding Admiral's liability. It simply states that the damage was ongoing for some time and, in part, due to causes not covered by the policy.

So, I think it's fair to conclude that Mrs H suffered damage caused by a leak from the same or similar place as the original leak. However, I can't reasonably say that she provided sufficient evidence to indicate when the leak started, or that the damage happened when she had a policy with Admiral.

Given Mrs H was unaware of any ongoing damage, I think it's reasonable for Admiral to say it was unlikely due to the leak that happened three years earlier. Turning to Admiral's report of the original leak, it says the floorboards would've been wet but were protected to some degree by the plywood and flooring on top. And Admiral's contractors issued a drying certificate to show the floorboards had dried out. Therefore, I think it's reasonable that Admiral concluded it was unlikely the leak had continued after repairs.

In the absence of any persuasive evidence that the leak was a continuation of the first leak, I see no reason to ask Admiral to complete repairs or accept a further claim under the policy.

Admiral advised Mrs H to approach her new insurer. I think that was a reasonable suggestion because Mrs H may have had a valid claim under her existing policy. That would be a matter for the new insurer to decide.

Overall, while I don't think there's any dispute that Mrs H suffered damage caused by another escape of water, I'm not persuaded by the evidence that Admiral unfairly or unreasonably declined the claim in the circumstances.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 6 May 2024.

Debra Vaughan
Ombudsman