

The complaint

Mr and Mrs D complain that Accredited Insurance (Europe) Ltd declined their claim for accidental damage to an underground pipe, under their home buildings insurance policy.

What happened

Mr and Mrs D noticed rainwater backing-up from a downpipe to their guttering. This was during a period of heavy rain. Mr D found that the downpipe was clear of blockages. So, he contacted Accredited to make a claim, thinking the blockage must be underground.

Mr and Mrs D says Accredited sent three contractors to clear the blockage without success. They say the last one used a camera, which identified that a section of the underground pipe had collapsed. Mr and Mrs D say that based on this report Accredited declined their claim as it wasn't covered under the cause of accidental damage.

In its final complaint response Accredited says its contractor concluded the pipe collapsed as a result of a gradual cause. It says there was no evidence of an accidental damage cause and maintained its decline decision.

Mr and Mrs D didn't think this was fair and referred the matter to our service. Our investigator upheld their complaint. He didn't think the report Accredited relied upon was sufficient to conclude the cause of the collapsed pipe was due to gradual deterioration. He says Accredited should reassess the claim and pay £200 compensation.

Accredited didn't accept our investigator's findings and asked for an ombudsman to consider the complaint.

It has been passed to me to decide.

I issued a provisional decision in March 2024 explaining that I was intending to not uphold Mr and Mrs D's complaint. Here's what I said:

provisional findings

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 my intention is to not uphold Mr and Mrs D's complaint. I'm sorry to disappoint them but I'll explain why I think my decision is fair.

Mr and Mrs D's policy terms say cover is provided for accidental damage, which is defined as:

"Sudden, unexpected, and physical damage which:
i. happens at a specific time; and
ii. was not deliberate; and
iii. was caused by something external and identifiable."

Under the section entitled, "Accidental damage to mains service" the terms say Accredited will pay the cost of repairs to underground pipes. It also says:

"We don't cover - Loss or damage due to wear and tear or gradual deterioration".

I've read the report Accredited obtained from the contractors that attended Mr and Mrs D's property. I've copied the relevant excerpts below:

"Further to instructions the Engineer arrived on site for a blocked rain water drain pipe and the side of the property. They conducted a CCTV survey to investigate the drain run, during the survey they identified a collapse underneath the concrete pathway.

Cause of Damage - Gradual deterioration.

As there is no evidence of accidental damage, we recommend declining this claim."

Accredited provided further comments from its contractor following our investigator's findings. This says:

"In relation to the cause of damage being deemed as gradual deterioration, the Engineer came to this concluding as the defective pipework is not under a surface that a vehicle can access nor is there any evidence of accidental damage due to above ground trauma".

I've seen photos from the contractor's investigation using a camera inserted into the damaged pipe. This shows the pipe is completely blocked. There are visible fragments of the broken pipe in the blockage.

It's for the insured to prove that they have suffered a loss. If they can, then, generally speaking, the insurer must pay the claim unless it can rely on a policy exclusion to not to.

Having carefully considered the evidence I don't think Mr and Mrs D have shown that they have suffered a loss that's covered by one of the insured causes detailed in their policy. The definition of accidental damage is that it must be sudden, unexpected, and caused by something external and identifiable. I don't think Mr and Mrs D have shown this to be the case here.

I'm more persuaded by Accredited's view that the collapsed pipe occurred due to deterioration over time. I note the engineer's comments that the pipe isn't beneath a vehicle access way and there is no sign of "above ground trauma". This is supported by the photos I've seen. So, I think it's more likely that the collapsed pipe is the result of a gradual deterioration over time.

Based on this evidence I don't think Accredited treated Mr and Mrs D unfairly when it relied on its policy terms to decline their claim. So, I don't intend asking it to do any more.

I said I was intending to not uphold this complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Neither party responded with information or further comments.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 29 May 2024.

Mike Waldron
Ombudsman