

The complaint

Mr and Mrs F complain about the service they've received from Admiral Insurance (Gibraltar) Limited ("Admiral") following a claim they made under their home insurance policy.

What happened

In July 2023 shortly after moving into their new home, Mr and Mrs F experienced a flood in their ensuite bathroom. This flooded their home office below the bathroom, so they reported it to their home insurer, Admiral. And they got a plumber in to stop the leak the same day.

The plumber said the waste pipe under the shower had likely split, so advised Mr and Mrs S to stop using the bathroom in order to prevent further damage occurring. Admiral advised Mr and Mrs S to obtain a trace and access report from the plumber to demonstrate the cause of the leak.

The plumber suggested that the bathroom tiles could be removed and the pipes could then be checked. But was hesitant to do so until Mr and Mrs F's insurer had confirmed it would cover this, so instead, a hole was drilled into the ceiling below the bathroom to check the damage. This is when the plumber noted that there was asbestos. However, when Admiral sent its own assessor out, it was confirmed that there was no asbestos. So the original plumber returned to continue investigating the cause of the leak, and confirmed that the pipe had split.

Mr and Mrs F reported the plumber's findings to Admiral – which sent out a surveyor to review the damage. After some back and forth, Admiral advised Mr and Mrs F that they couldn't continue with the claim until the bathroom tiles had been removed and a full trace and access had been carried out. It also said it would need a report from the plumber to confirm the cause of the leak. The plumber provided this, confirming that the cause of the leak was the split pipe, and gave Mr and Mrs F a quote for repairs.

Admiral told Mr and Mrs F that this wasn't sufficient and it would need the home survey report from when they bought the property, and when Mr and Mrs F provided this, it told them the plumber's report should include the date of the leak. After several revisions to the report Admiral said Mr and Mrs F would need to contact the former owner of the house to obtain confirmation that they'd fixed a leak in the bathroom previously. This was because the home survey report noted that there was damage from a previous leak and Admiral had concerns that if the leak hadn't been fixed, the issue may have pre-dated the inception of Mr and Mrs F's policy.

Mr and Mrs F said they didn't have the seller's details, and Admiral confirmed that if the previous owners couldn't be contacted, then the required revisions would need to be made to the plumber's report to prove when the leak started. Mr and Mrs F say that the plumber made the changes to the report as requested, but Admiral still said Mr and Mrs F would need to provide evidence that the previous leak had been repaired.

Mr and Mrs F were unhappy with the repeated requests and contradicting instructions from Admiral, so they made a complaint. In its response, Admiral accepted that the level of

service it had provided had not been to the standard Mr and Mrs F expected – and it offered them £300 compensation for this. But it told them it couldn't proceed with the claim without the required evidence.

Because Mr and Mrs F didn't accept Admiral's response, they referred their complaint to this service. Our Investigator considered it, but didn't think it should be upheld. He thought Admiral had made mistakes but had offered a reasonable amount of compensation for these, and that it was entitled to ask for evidence to validate the claim.

Mr and Mrs F didn't agree with our Investigator's opinion. They said it wasn't possible for them to contact the previous owner of the property, because when they tried, both the solicitor and estate agent said they wouldn't share the contact details due to data protection laws. This information didn't change our Investigator's mind – he confirmed that Mr and Mrs F's solicitor could provide evidence that they'd tried to contact the seller's solicitor, and details could be redacted. Without further evidence, our Investigator thought it was fair for Admiral not to proceed.

Because an agreement between the parties couldn't be reached, Mr and Mrs F asked for an Ombudsman to review their case, so the complaint has now 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've decided not to uphold this complaint. I'll explain why.

For any insurance claim to be successful it's a requirement in the first instance for the policyholder to establish that they have a valid claim. In essence, the policyholder must show that an insured event occurred which was covered by the policy. It is not for the insurer to establish the claim on the policyholder's behalf.

If the policyholder is unable to meet this requirement the claim will fail at that stage. It is only once the policyholder has established a valid claim that the insurer is required to demonstrate that a policy exclusion applies to defeat it. It is not therefore for Admiral to show in the first instance that the leak happened during the policy term or that it's excluded from cover. The first hurdle is for Mr and Mrs F to demonstrate that the leak occurred within the policy term and isn't a historic issue – otherwise it isn't an event that's covered by their policy and there'd be no remedy to Mr and Mrs F for it.

Admiral has raised concerns that the leak may have pre-existed the inception of Mr and Mrs F's policy. Looking at the homebuyer's report Mr and Mrs F have provided, I can understand why Admiral has these concerns. Mr and Mrs F say the homebuyer's report doesn't say there was no evidence the leak had been repaired, and that this can't have been the case as the bathroom was brand new.

But looking at the relevant section of the survey, it's clear that there were historic issues with the bathroom over the small study and that even if the bathroom was new as Mr and Mrs F say, this doesn't necessarily mean the underlying issues had been dealt with adequately. I say this because the surveyor noted damp staining on the study ceiling under the ensuite bathroom, and he also noted that the plasterboard had perished so the ceiling needed to be replaced. This indicates quite a substantial leak happened before Mr and Mrs F moved in. And as neither I nor Admiral have enough evidence to show what was done about it, it follows that I don't think it's unreasonable for Admiral to have asked for that evidence.

Mr and Mrs F say that their plumber made the requested changes to the report, and went as far as to say that in his opinion, the leak was new. But I can understand why this wouldn't satisfy Admiral, because initially I can see that the claim was declined on the basis that the lining under the shower was faulty. Subsequently, the cause of damage was changed to failed sealant and the claim was again declined. There wasn't any evidence of repairs that had been carried out by the previous owner or Mr and Mrs F (save for Mr and Mrs F saying they'd spoken to the previous owner about it), so the claim was declined in full. Due to the various reasons given for the damage – and the lack of persuasive evidence that the historic issue had been dealt with properly, I'm satisfied that it wasn't unreasonable for Admiral to have asked for further information to validate the claim.

The policy booklet states under “*General Exceptions to Your Home Insurance Cover*”:

“Existing damage Any loss, damage, injury or liability resulting from an event which happened before this policy started.”

So it's clear that any pre-existing issues aren't covered by the policy. It follows therefore that the question I have to answer is whether Mr and Mrs F have done enough to show that the previous problem was repaired and this was a new leak. And in my view, despite the numerous times they've had to go back and forth with Admiral and other parties (which I'll deal with separately below) I don't consider Mr and Mrs F have shown that the leak wasn't a pre-existing issue.

Whilst I've concluded that Mr and Mrs F have not yet satisfactorily established that the damage claimed for was caused by an insured event covered by the policy and within the policy term, both parties should note that Mr and Mrs F may provide further evidence to Admiral of their efforts. For example, documentary evidence of their attempts to contact the previous owner, through estate agents, solicitors or otherwise. Ultimately, if Admiral decides it still cannot proceed with the claim after Mr and Mrs F have made further reasonable efforts to provide the evidence Admiral requires, they will be able to raise a secondary complaint about Admiral's decision. And if they remain unhappy with Admiral's final response to that complaint, they may be able to refer that issue to this service for review, subject to the usual rules and time limits that apply.

Accordingly, until further evidence is provided, I conclude that Admiral's decision to decline the claim was neither unfair nor unreasonable.

Turning now to the service Admiral has provided, I consider this to have fallen below the level Mr and Mrs F should've rightly expected during the course of their claim. Admiral repeatedly asked for more evidence, which as I have said above wasn't unreasonable. But I think it caused confusion with its conflicting requests. For example, it asked Mr and Mrs F to provide an amended plumber's report, which they did, but then told them this wasn't sufficient. I think it should've been clear about its expectations from the outset, so that Mr and Mrs F understood what they'd need to provide in order for the claim to succeed.

Admiral has offered £300 compensation for its errors and the confusion these caused, and I consider this level of compensation to be reasonable in the circumstances of this complaint. Mr and Mrs F can look on our website for examples of how we make awards for distress and inconvenience. But essentially, I think Admiral's level of service impacted Mr and Mrs F by causing more frustration at what was already a difficult time, as well as delaying matters. And I consider it to have caused more than the levels of inconvenience that one can expect from day-to-day life. The impact was more than minimal, due to the problems Mr and Mrs F were already experiencing and the many times they had to go back and forth. And the impact continued for some months and took considerable effort for them to try to sort out. So I think £300 is in the region of what I would've awarded had no offer been made in this case.

It follows therefore that I won't require Admiral to do anything further in relation to this claim, unless new evidence is provided, in which case Admiral should deal with and respond to that evidence in a timely manner – and upon receipt of further evidence it should reconsider Mr and Mrs F's claim fairly, in line with the terms and conditions of the policy.

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 F and Mrs F to accept or reject my decision before 6 November 2024.

Ifrah Malik
Ombudsman