

## **The complaint**

Mr G complains Ageas Insurance Limited unfairly declined his trace and access claim.

Mr G's been represented for the complaint. For simplicity I've referred to the representative's actions as being Mr G's own.

## **What happened**

Mr G held Ageas home insurance. He called the insurer about an escape of water at his property. Ageas said it could cover the cost of tracing and accessing the leak, but not the cost of any plumbing repairs. It said he should arrange a plumber and ensure he was given an invoice.

Mr G was charged a total of £2,680 by a plumber for tracing and access and plumbing repairs. He sent Ageas an invoice that gave one cost for all the work undertaken. It didn't give an itemised breakdown of costs. Ageas said it required a breakdown of costs to verify the claim.

An updated invoice was obtained from the plumber. This noted the trace and access cost to be £1,500. Ageas still refused to pay the claim. It said the cost breakdown wasn't sufficient, particularly as it considered the trace and access costs to be high. It said it required an explanation of what trace and access works were involved.

Mr G raised a complaint as he wasn't satisfied with Ageas's position. In response it said it required specification of the works that took place to reach the £1,500 cost. It explained the plumber had failed to provide any further breakdown despite being chased. It said until a further breakdown is received it can't validate the cost. So it continued to decline the trace and access claim in full.

Mr G wasn't satisfied, so referred his complaint to the Financial Ombudsman Service. To resolve his complaint he would like Ageas to settle the £1,500 trace and access claim.

Our Investigator recommended Ageas pay the £1,500 trace and access claim – plus apply simple interest. She said the costs claimed didn't seem unreasonable. She said if Ageas had required a detailed invoice it should have explained this to Mr G earlier in the claim. She didn't feel it fair for him to lose out because the plumber hadn't responded to Ageas or his attempts to obtain a detailed breakdown. The Investigator also recommended Ageas pay Mr G £275 compensation for trouble and upset.

Mr G accepted the proposed outcome. Ageas didn't. It said it had informed Mr G of what would be required, including a breakdown of costs, prior to him sourcing a plumber. As the complaint wasn't resolved it was passed to me decide.

Mr G also claimed for a carpet that was damaged by the escape of water. He hasn't raised concern at that part of the claim. So I haven't considered it here.

## **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 this is an informal service I'm not going to respond here to every point or piece of evidence Mr G and Ageas have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr G's policy says Ageas will cover reasonable costs he has to pay to find a leak - including the costs of repairs to walls, floors or ceilings. The policy also says he must get Ageas' agreement before work starts - so it can decide whether finding the leak is the most practical and cost-effective solution to the problem.

I've listened to a call involving Mr G and Ageas. He explained he had a leak. Ageas agreed to him arranging a plumber. It said it would cover the trace and access costs, but not the cost of plumbing repairs.

Ageas also, in the call, asked Mr G to provide an invoice from the plumber so it can know which parts (of the invoice) they are covering. The initial invoice didn't provide a breakdown at all. So I can understand why it felt it was unable to settle the claim at that point. It wasn't aware of the proportion charged for trace and access.

However, I don't think it's fair for Ageas to continue to decline the claim following receipt of the amended invoice. That states trace and access work as £1,500. It also gives a summary of the work involved. Individual items are unpriced. But relevant to trace and access are 'emergency excavations in living room and kitchen to locate leak on waste pipe' and 'made good the holes required to locate the leak'.

That description of required work would appear to be in line with Mr G's outline of the problem in his claims call. He described water coming up under the carpet on the ground floor. The policy terms say it will cover cost to find the leak and to repair. It specifically refers to walls. So I'm satisfied the work is covered by the policy – and was agreed to by Ageas.

Ageas appears to be concerned that the costs aren't 'reasonable' - as per the policy term. I accept it's unable to understand the exact scope of 'excavations', for example the floor area involved. The invoice doesn't provide that detail. However, if it required that level of detail it should have explained that to Mr G initially.

In the call he's informed he should get a 'breakdown' in his invoice so it can understand what 'bits it (Ageas) covering'. That's in the context of Ageas making clear it will cover trace and access – but not any plumbing work. The latest invoice meets that demand. There was no request that trace and access work itself be itemised or that additional detail be provided.

In any event I'm satisfied the works are covered by the policy and I'm not persuaded the cost is unreasonable. Ageas hasn't provided anything to support it being so – it's just registered concern at it being 'high'. So to settle Mr G's complaint Ageas will need to pay him £1,500. To make up for him unfairly being without those funds it will need to apply simple interest. That should be applied from the date the amended invoice was provided to the date of final settlement.

I agree with the Investigator that Ageas should pay Mr G compensation. I think it's likely, considering his health, that it's unfair decline of his claim caused him a fair amount of

unnecessary distress and inconvenience. £275 seems a reasonable amount to recognise that.

### **My final decision**

For the reasons given above, Ageas Insurance Limited must pay Mr G £1,500 to settle his claim (applying simple interest at 8% as set out above\*) and £275 compensation.

\*If Ageas considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 August 2024.

Daniel Martin  
**Ombudsman**