

The complaint

Miss P has complained about Royal and Sun Alliance Insurance Limited's (RSA) decision to decline her claim under her home insurance policy for damage to underground pipes.

What happened

Miss P had some building works carried out to her home. Afterwards she found that there was a great deal of standing water in her garden. She had this investigated and discovered it was due to damage to some pipes in her garden. She believed the pipes were damaged by the weight of the rubble left in her garden by her builder. And that the damage only came to light when the rubble was removed. Miss P claimed under her policy.

RSA sent a firm, who I'll refer to as C, out to investigate the damage. They concluded the damage to the pipes was due to wear and tear. So, RSA declined the claim on the basis Miss P's policy doesn't cover damage caused by wear and tear.

Miss P complained to RSA, but it wouldn't alter its position. So, Miss P asked us to consider her complaint. One of our investigators did this. He said that RSA's decision to decline the claim for the pipes was fair, as the evidence suggested the damage was caused by wear and tear. But he said RSA should cover the cost of sourcing the problem with the pipes, as this was covered under the trace and access section of Miss P's policy.

RSA doesn't agree with the investigator's view. It's pointed out that the terms of Miss P's policy state that cover for trace and access only applies if physical damage is found at her property. And it does not believe physical damage has been found at her property. It has based this argument on the definition of 'home' in Miss P's policy.

Miss P has said that, while she is pleased our investigator thinks the cost of sourcing the problem with the pipes is covered, she also wants me to consider whether RSA's decision to turn down her claim for the damage to the pipes is correct.

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 it should be upheld in part for the same reason as our investigator.

Dealing first of all with the damage to the pipes in Miss P's garden. I've read the report from C and seen the photographs and videos of the damage, some of which were provided by Miss P. And I think RSA has provided sufficient evidence to show the damage to them was due to wear and tear. I say this because that is the expert opinion of C and Miss P hasn't provided any expert evidence to counter this. And, in any event, the damage looks most likely to be due to wear and tear to me. This means it is not covered by Miss P's policy, as while it covers accidental damage to underground pipes, it specifically excludes damage caused by wear and tear.

I appreciate RSA did mention the possibility that the builders' rubble could have exacerbated the problem with the pipes. But I'm satisfied the main issue was due to wear and tear. And this means RSA was entitled to rely on the policy exclusion for this to reject Ms P's claim.

As I have already mentioned Miss P's policy also covers the following:

Trace and Access

What's covered

Your insurer will pay you up to the limit shown in the policy summary for any one claim for the necessary and reasonable costs you incur to find the source of damage to your home caused by:

Escape of water from a fixed water, drainage or heating installation

Escape of oil from a fixed oil-fired heating installation

This includes reinstating any wall, floor, ceiling, drive, fence or path removed or damaged during the search...

Trace and access cover can only be applied if physical damage is found at the property.

I have noted what RSA has said about this cover. And I agree it only applies if physical damage is found at 'the property'. 'The property' is not defined, but it clearly refers to what RSA is insuring under the policy. And I think this includes Miss P's garden. RSA's argument that there is no cover seems to be based on the fact there is no physical damage to Miss P's 'home' as defined by her policy. But the trace and access cover does not require physical damage to be found at the 'home'. It requires physical damage to be found at 'the property'. And it is clear from the definition of 'home' that the word property has a wider meaning, as the definition refers to the 'home' being a private residence within the boundaries of 'the insured property'. Therefore, I'm satisfied that the meaning of property includes the garden. It is also clear from other parts of the policy that the insured property includes Miss P's garden.

In summary, I'm satisfied there is physical damage to Miss P's property, i.e. the pipes in her garden, and this means the cost of sourcing the escape of water from these pipes is covered by her policy.

Putting things right

For the reasons set out above, I consider that RSA should settle the part of Miss P's claim relating to the cost of sourcing the damage to the pipes in her garden in accordance with the claim settlement terms in the policy. This will mean RSA can deduct any excess applicable. But if Miss P has already paid what was due to the contractor she used, RSA should add interest on the amount due to her at 8% per annum simple from the date she did this to the date of payment.* This is to compensate her for being without funds she should have had.

* RSA must tell Miss P if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Miss P if asked to do so. This will allow Miss P to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Miss P's complaint about Royal and Sun Alliance Insurance Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 1 April 2025.

Robert Short
Ombudsman