

The complaint

Mr and Mrs P complain about how Inter Partner Assistance SA (“IPA”) handled a claim they made on their home emergency insurance policy.

IPA are the underwriters of this policy, i.e. the insurer. Part of this complaint concerns the actions of the agent. Since IPA accept it is accountable for the actions of the agent, in my decision, any reference to IPA includes the agent.

What happened

Mr and Mrs P held a home emergency policy with IPA.

Unfortunately in December 2023 Mr and Mrs P noticed a leak in their home and reported it to IPA to claim for the repair.

IPA accepted the claim and appointed an engineer to attend a couple of days later. When the engineer attended he tried to locate the leak by cutting a hole in the ceiling – but he wasn’t able to see where the leak was coming from. Since he was unable to locate and repair the leak in line with the policy terms, the contractor said the repair would need to go through Mr and Mrs P’s home insurer for ‘trace and access’. The engineer left without repairing the cause of the leak. Mr and Mrs P say as a result the leak continued for a further week.

Mr and Mrs P contacted IPA to complain and it was agreed that they could instruct their own plumber. Mr and Mrs P’s plumber attended and located the leak under the floorboards on the landing. The leak was subsequently repaired but Mr and Mrs P say by the time that happened the water had seeped into three rooms downstairs.

Mr and Mrs P say they’ve been left with redecoration costs, a £500 policy excess, and a claim recorded against them – and they don’t think that’s fair since IPA didn’t repair the leak as it should have done. They say had IPA completed the repair correctly, the cost of repairing the damage wouldn’t be as high. As the leak continued it caused significant damage that would cost significantly more to rectify. They felt IPA should be responsible for this.

IPA said when Mr and Mrs P called to report the leak, Mr P reported the water had already penetrated the ceiling which indicates the leak may have occurred prior to being noticed by Mr and Mrs P. IPA said there was always going to be some kind of repair that would have been required which would be the responsibility of Mr and Mrs P or their home insurance policy. IPA did accept there had been some unnecessary inconvenience and stress. So it reimbursed Mr and Mrs P for the cost of their own plumber and £150 to apologise for the distress and inconvenience.

Mr and Mrs P remained dissatisfied with IPA’s position on the matter. As they remained dissatisfied, they referred their complaint to this service for an independent review.

One of our investigators looked into things for them. He said he didn't think IPA acted fairly. He said he thought the leak could have been resolved by IPA sooner and the whole matter caused Mr and Mrs P a considerable level of distress and inconvenience. So he said he thought IPA should pay a further £150 to reflect the trouble and upset – so bringing the total compensation to £300.

Mr and Mrs P didn't agree – they said the initial contractor left a hole in the ceiling, the water leak wasn't resolved, and so it caused further damage. An insurance claim would cost at least £500 for the excess. Mr and Mrs P also said £150 didn't cover their costs to prepare and repaint the affected rooms; the cost is more likely to be £1,000.

Since Mr and Mrs P didn't agree, the matter has been passed to me to make a final decision.

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.

I understand Mr and Mrs P have strong views about what happened and I empathise with the position they've found themselves in. I have read and considered everything I have received carefully. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

Mr and Mrs P's complaint centres around the actions of IPA while attempting to repair the leak at their home. I wasn't present at the property during this time so I'm unable to say for certain exactly what did happen. In situations such as this I've had to decide what I think is more likely to have happened, based on the balance of probabilities. And, since IPA weren't either, I've had to consider the conclusions they've drawn, from the evidence available to them, and decide whether I think they acted fairly and reasonably.

Attending to the leak

When the leak was reported, IPA arranged for its contractor to attend Mr and Mrs P's home. The contractor was unable to repair the leak. But I don't think it's fair to hold IPA responsible for not identifying and fixing it on the first visit. Unfortunately some distress and inconvenience is inevitable when a leak occurs and it isn't always immediately clear as to where the leak is and if there is more than one.

I can understand why Mr and Mrs P thought IPA should have identified the problem straightaway, but I wouldn't necessarily expect IPA to do so. The contractor thought trace and access would be required in order to locate the leak. And I think it was reasonable for IPA to rely on its contractor's assessment of the leak.

IPA accept there were errors made in the handling of the claim. The policy is intended to indemnify Mr and Mrs P so where IPA's contractor was unable to repair the leak it agreed Mr and Mrs P could arrange their own repairs and reimbursed those costs. I think that's fair in the circumstances.

Damage to the home

It's not in dispute that there was a leak at Mr and Mrs P's property, noticed in December 2023. And I don't think it's in dispute that the leak caused damage to Mr and Mrs P's ceiling and walls before IPA attended to attempt the initial repair. So, in this situation I think Mr and Mrs P were always likely to incur a cost to repair this damage, whether that be through their own finances directly or through a separate claim on their home insurance policy. And for this reason I don't think there is any reasonable way for me to say IPA should be responsible for the entire repairs, and the cost of these. It's role as the home emergency provider is to resolve the actual emergency, not rectify the damage the emergency caused.

The policy terms say, *"this insurance may not cover the cost of full repair or replacement, even when it is necessary following an emergency. You may be able to claim all or some of the cost of the repair or replacement under your Household Buildings or Contents insurance."*

But, that being said, I would expect IPA to ensure the leak is resolved as quickly as possible, to minimise the damage caused. And the engineer at the time recommended a 'trace and access' be carried out to try and work out what the cause of the leak was. Since the contractor is the expert here I think it was reasonable for IPA to rely on his report.

Mr and Mrs P had to pay an excess and pay to repair the damage caused by the leak. This is something they would have always had to pay given the extent of the damage when the leak was reported. There is no independent evidence to confirm what, if any, damage is attributable to the length of time from when the initial contractor attended to when the repair was carried out. The excess and cost of repairs isn't something Mr and Mrs P would be entitled to under the terms of the policy so isn't something I can fairly direct IPA to pay.

Compensation

The compensation award is to reflect the distress and inconvenience caused to Mr and Mrs P by IPA. It is not intended to reimburse or pay them for the cost of repairing and decorating their home.

IPA accept the level of service wasn't as it should have been; it apologised and paid Mr and Mrs P £150. Our investigator recommended IPA pay a further £150 to reflect the distress and inconvenience caused, and I think that's fair. I appreciate Mr and Mrs P don't think the compensation is enough – and I've read what they've said about the impact and stress they've suffered. I've considered this along with what IPA did to try and resolve things. I think £300 is a fair offer given the level of distress and inconvenience the matter had on Mr and Mrs P.

I understand this isn't the outcome Mr and Mrs P were hoping for. But, in this situation I think IPA have acted within the terms of the policy, and where it hasn't it has reimbursed Mr and Mrs P for the cost of the contractor and offered compensation.

Putting things right

IPA should;

- Pay Mr and Mrs P £300 for the distress and inconvenience caused, less any payment already made.

My final decision

For the reasons set out above I uphold this complaint and direct Inter Partner Assistance SA to resolve this matter by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 18 October 2024.

Kiran Clair
Ombudsman