

The complaint

Ms A and Mr S have complained about work carried out by the agent of AA Underwriting Insurance Company Limited (AAUIC) after they made a claim under their home insurance policy.

Both Ms A and Mr S are named policyholders on the policy. For simplicity and as most of the information has been provided by Mr S, I'll refer mainly to Mr S from here onwards.

What happened

Mr S made a claim to AAUIC after a water leak was detected in his property. AAUIC sent an agent to investigate in June 2023. They reported that the leak had been caused by gradual deterioration and/or poor installation and so AAUIC declined the claim. To carry out the investigation the agent had to install a new stop cock.

Mr S instructed another leak detection company to repair the leak in September 2023. They said the stopcock had broken even though it had only recently been installed. They advised Mr S to seek assistance from AAUIC's agent before they did any more work. Mr S was charged £240 for their visit.

After Mr S complained to AAUIC, it referred him to the agent. He and his neighbour's property had no water for 18 hours. The agent said they would send someone to repair the stopcock but if it turned out not to be their fault that the stopcock had failed, there'd be a charge. Mr S agreed to that.

When the agent saw the stopcock, he said someone else had touched it and disclaimed liability. They maintained it had been damaged by Mr S's workman. Mr S said a stopcock shouldn't come off unless it had been badly fitted. Mr S was charged £420 for the work but after he complained to AAUIC this was reduced to £180. AAUIC apologised for the confusion with the bill and paid Mr S £50 compensation for that.

Eventually the leak was repaired and a new stopcock installed by Mr S's water company.

Mr S brought a complaint to this service. I issued a provisional decision explain why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

"AAUIC instructed its agent to work in Mr S's home. So I'm satisfied that it's responsible for the work its agent did, including replacing the stopcock.

This service assesses complaints on the balance of probabilities. In other words, having weighed all the evidence, I will decide this complaint on what I think is most likely to have happened. In this case that means deciding whether the stopcock was faulty/not installed properly by AAUIC's agent or damaged by Mr S's workman.

Stopcocks are designed to be used by consumers to turn off the flow of water in their home. So it seems less likely to me that a trained professional would have broken a fairly new stopcock unless it was already faulty. They are designed to be used multiple times. So I think it's more likely than not that AAUIC's agent fitted a faulty stopcock.

To put things right I think AAUIC should pay for the abortive visit by Mr S's workman when they couldn't proceed because of the faulty stopcock. Mr S says that cost him £240. It should also pay its agent's charge of £180 for looking at the stopcock or arrange for that charge to be waived.

When awarding compensation, I look at the overall impact of failings on the part of a business. Calculating compensation in such situations isn't an exact science. I note that in this case the three people living in Mr S's property all have serious health problems and so leaving them without water for 18 hours had an even more of an impact than usual. Mr S also had the stress of being chased by AAUIC's agent for a bill that I don't think he should be liable to pay. Also AAUIC disclaimed responsibility for his problems, saying that his case was closed so far as he was concerned. Taking into account the problems that occurred in this case, the impact on Mr S and the levels of compensation awarded by this service in complaints with similar circumstances, I think £300 compensation is reasonable (including the £50 already offered)."

Ms A and Mr S accepted my provisional findings. AAUIC didn't respond.

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 objected to my provisional findings, I see no reason to change them and they now form part of this final decision.

Putting things right

To put things right I think AAUIC should pay Ms A and Mr S:

- £240 for their abortive workman's visit;
- its agent's charge of £180 for looking at the stopcock or arrange for that charge to be waived; and
- a total of £300 compensation for the trouble and upset it caused them.

My final decision

For the reasons set out above, I uphold this complaint and require AA Underwriting Insurance Company Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A and Mr S to accept or reject my decision before 30 October 2024.

Elizabeth Grant
Ombudsman