

The complaint

Mr and Mrs P complain about Advantage Insurance Company Limited's (Advantage) decision to decline their claim for damage caused by an escape of water, under their home buildings insurance policy.

I'll refer to Mrs P in my decision for ease.

What happened

Mrs P's policy inceptioned on 1 October 2023. She arranged for some work to be done in her cloakroom to replace the flooring. Mrs P says the reason for this is that the flooring was chipped. When lifting the floor, the builders found extensive damage due to an escape of water. This had damaged the floor in the connecting room as well. Mrs P contacted Advantage to make a claim on 4 October.

Mrs P says a surveyor visited her property to inspect the damage. She then received an email the following week telling her that her claim was declined. But there was no explanation given. Mrs P says she was promised a call back from the surveyor, but this didn't happen. On 20 October 2023 she says she was interrogated about the work being completed and was told it was suspicious that she'd claimed so soon after the policy inceptioned.

Mrs P says Advantage told her there was visible damage in the cloakroom and the adjacent en-suite bathroom. It didn't change its decision to decline her claim, so she complained.

In its final complaint response, Advantage refers to wear and tear as the reason for declining the claim. It says the service it provided was in line with its expectations and it didn't uphold Mrs P's complaint. However, in its decline decision Advantage says it declined the claim as the damage occurred prior to the policy inceptioning. This was dated after its complaint response. It reiterated this reasoning in its submissions to our service.

Mrs P didn't think she'd been treated fairly and referred the matter to our service. Our investigator upheld her complaint. She didn't think signs of the damage had been shown to be visible prior to the work that was carried out. She says Advantage should pay the claim. Prior to our investigator issuing her findings Advantage revised its stance and offered Mrs P £100 compensation for its poor service when its surveyor didn't call her. Our investigator thought this was fair.

Advantage didn't accept our investigator's findings. It says its policy doesn't cover damage that occurred prior to the inception date. Because of this it asked for an ombudsman to consider the complaint.

It has been passed to me to decide.

I issued a provisional decision in September 2024 explaining that I was intending to partially uphold Mrs P's complaint. Here's what I said:

provisional findings

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 my intention is to uphold this complaint, but only in part. Let me explain. It's for the policyholder to show that they've suffered an insured loss. If they can do so, then, generally speaking, the insurer should pay the claim. This is unless it can rely on a policy exclusion not to.

Mrs P's policy terms under the section headed, "What you're covered for" says: "The loss or damage must take place at your home during the period of insurance". The period of insurance in this case was from 1 October 2023 up to 30 September 2024. Mrs P reported her loss on 4 October 2023, which was within the period of insurance. But I don't think the damage occurred during this period.

The surveyor Advantage sent to assess the damage on 6 October 2023 says that when the floor was lifted in the cloakroom, water was found on the chipboard beneath. This was caused by a leak from the sink. He says there was also a possible leak from the toilet. The surveyor wrote that the toilet was sinking into the floor. And that this has been ongoing for a period of time and would've been visible. The surveyor also comments that the laminate floor would've started to buckle due to the water leak.

It's difficult to see if the toilet is actually sinking into the floor from the photos the surveyor took. Similarly, I haven't seen photos of damaged laminate flooring that would've been visible to Mrs P. But I don't think this is relevant. The photos taken by the surveyor clearly show areas of stained and rotten timber flooring. I think it's very unlikely for this to have happened during the three days Mrs P's policy was in force. As would need to be the case for the loss to have occurred during the period of insurance.

I've read the letter Mrs P obtained from her plumber. He says the leaks that occurred were not visible to Mrs P over a long period of time. The plumber says this caused the timbers of the partition wall and flooring in both rooms to rot. This supports the view that the damage had been caused over a long period and prior to the inception of Advantage's policy.

I've thought carefully about whether some of the damage caused by the leak occurred during the period of insurance with Advantage. But I don't think it did. Some water will likely have escaped in the three days this cover was in place. But by this time the damage to the floor had already occurred. From the reports provided this was due to rot, which occurs over time.

Mrs P confirms that she had cover in place with a different insurer prior to October 2023. I think Advantage makes a fair point that the correct approach here is for Mrs P to raise a claim with her previous insurer. I note she did this and it declined her claim. However, it referred to our investigator's findings that Advantage was responsible for the claim as part of its reasoning. Our investigator's findings don't represent a binding decision unless both parties accept. Advantage didn't accept. And as I've set out here I don't think it's responsible for Mrs P's loss. So, I think she needs to communicate this to the insurer.

Mrs P wasn't initially provided with clear information to explain why her claim had been declined. She was promised a call back from the surveyor, which he didn't do. It was left to Mrs P to contact Advantage. She was later asked to provide further information, although her claim had been declined. This represents a poor standard of service. Mrs P was clearly upset by the decline decision, the poor standard of service made the situation worse. She was also inconvenienced when having to make further contact when the surveyor didn't call her. To put this right, I think a compensation payment is appropriate. But I think Advantage's

offer of £100 is fair in these circumstances.

In summary I don't think Advantage treated Mr and Mrs P unfairly when relying on its policy terms to decline their claim. But it's fair that it pays £100 compensation for the poor service it provided.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Advantage didn't respond with any further information or comments for me to consider.

Mrs P responded to say that she has wasted a lot of time trying to progress her claim. This has had an impact on her health and she says she is in debt and at a point where she doesn't know what to do.

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'm not persuaded to change my provisional findings.

As discussed in my provisional decision Mrs P can contact her previous insurer to make a claim. She may want to provide it with a copy of my decision. This will confirm that our service doesn't think Advantage is responsible for indemnifying her loss.

I'm sorry Mrs P is disappointed with my decision. But as Advantage wasn't her insurer when the damage occurred, I can't fairly ask it to accept her claim.

My final decision

My final decision is that I uphold this complaint in part. Advantage Insurance Company Limited should:

- pay Mr and Mrs P £100 compensation for the distress and inconvenience it caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 8 November 2024.

Mike Waldron
Ombudsman