

The complaint

Mr H has complained about the handling of a claim under a property owners insurance policy by Covea Insurance Plc.

What happened

The insurance policy was taken out by the management company of the risk address where Mr H resides, for the benefit of the property owners.

Mr H is the chairman of the management company for the risk address, a block of flats, and also a leaseholder of one of the flats.

Covea accepted Mr H's claim for a leaking gas pipe which caused damage to his wall. It paid for repairs to the affected wall which included a call out charge, plastering, and removing and re-fitting a radiator. However, Covea declined to cover the costs that Mr H paid to re-run the gas pipe or for replacement radiators on undamaged walls saying these were maintenance issues. Covea also offered to cover costs of decorative works on the damaged wall.

Our investigator didn't recommend that the complaint be upheld on the evidence to hand. Mr H appealed.

As no agreement was reached the matter was passed to me to determine.

I was minded to reach a different conclusion to our investigator so I issued a provisional decision. I said as follows:

I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it.

I've reviewed the file and considered the parties have made with care. Having done so I find that Covea needs to make an increased settlement offer to Mr H. I'll explain why:

- The main issue for me to determine is whether or not the further work - the re-running of the gas pipe and replacement of the radiators to the undamaged wall – is covered by his policy. I can accept that the works are necessary – but that doesn't automatically mean they are covered by Mr H's policy.*
- Covea has said that Mr H wrote that the gas pipes were old and defective and in need of replacement in an email sent to its claims team. Despite requests a copy of that email hasn't been forthcoming. In any event it doesn't appear from the evidence that Mr H requested that that pipe be re-positioned – that was on the advice of the gas engineer. So I find that that it was unreasonable for Covea to conclude that this was a maintenance issue, rather it was essential in order to carry out an effective and lasting repair. The invoice I have seen dated 29/06/22 indicates that the cost for re-*

running the gas including parts came to £560.21. If there was any amendment to this evidence can be provided in response to this provisional decision.

- I'm not persuaded that it was unfair for Covea to decline to pay for replacement radiators on the undamaged wall.*
- With regard to the decoration costs, Covea offered £200 and would consider a further estimate if provided. I think that is fair and I understand that the offer is still open to Mr H.*
- I can see from Mr H's representations that he had a difficult and distressing time, and his priority was Mrs H's needs. I appreciate too that Mr H has made an offer to settle the claim at an amount he deemed to be reasonable. He has also tried to minimise costs. Having considered the timeline I don't find that there have been unavoidable delays on the part of Covea. Nevertheless as indicated above I'm minded to conclude that Covea should have paid for the re-running of the gas pipe.*

My provisional decision was that Covea should refund Mr H £560.21, adding interest.

I said I'd look at any more comments and evidence that I received, but unless the information changed my mind, my final decision was likely to be along the lines of my provisional decision.

Mr H accepted, he hoped that Covea would also agree that this longstanding matter could be closed. Covea 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 Mr H agreed and Covea didn't respond, I see no reason to depart from my provisional findings, which I adopt here.

My final decision

My final decision is that I require Covea Insurance plc to:

- Refund Mr H £560.21.
- Add simple interest to this sum at 8% per annum from the date paid until settlement. If Covea considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it's taken off. It should also give him a certificate showing this 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 H to accept or reject my decision before 28 November 2024.

Lindsey Woloski
Ombudsman