

The complaint

Mr S complains that U K Insurance Limited (“UKI”) declined a claim he made under his home insurance policy.

Reference to Mr S or UKI includes their respective agents and representatives.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mr S got in touch with UKI about a potential leak at his property after he noticed water damage. UKI appointed a drainage company, A, to look into the problem.
- A surveyed the underground drainage system and said a plastic pipe had been poorly connected to a clay pipe, leaving a gap between them through which water was leaking. It also said the poor fitting had caused a fracture.
- Mr S said he’d lived in the property since 2006, and the connection had been in place prior to that – yet it hadn’t caused a problem since then.
- UKI declined the claim on the basis the policy doesn’t cover wear and tear, gradual damage or faulty workmanship / design. It said the property was suffering rising damp, showing the leak had been ongoing over a period of time.
- Our investigator thought UKI had acted fairly. She said the only professional opinion available was from A – and this showed the damage wasn’t covered.
- Mr S said A hadn’t carried out a full survey and didn’t locate the leak that was causing the water damage. He took professional advice about the matter and shared it with our investigator – but she wasn’t persuaded to change her mind. So the complaint has been referred to me.

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.

- In summary, UKI has declined the claim. So I’ll start by considering what the relevant terms are and whether UKI fairly declined the claim. I’ll then go on to consider whether the recent professional advice provided by Mr S makes a difference.

What does the policy cover?

- The policy covers ‘physical damage to underground drains, pipes, cables and tanks’. It doesn’t seem to be in doubt there was such damage.
- UKI has relied on three policy terms which say, in summary, the policy doesn’t cover:

- Wear and tear
 - Any damage caused gradually
 - Faulty workmanship, faulty design or the use of faulty materials
- When relying on these terms, the onus is on UKI to show they apply.

Was it fair for UKI to decline the claim?

- When it surveyed the drainage, A identified a problem with a connection which it said had caused a leak and a fracture. It said the connection had been 'poorly fitted'.
- That's the only professional opinion provided about the cause of this problem. Whilst it's very brief, I have no evidence to challenge it and no reason to think it's an unreasonable opinion. So I accept it.
- I think it's fair to say that a pipe connection which has a gap and a leak, as well as a fracture, amounts to faulty workmanship, faulty design or the use of faulty materials. I can't imagine any circumstances in which that condition can amount to good practice.
- Mr S says he's lived at the property for a significant period of time and hasn't previously been aware of a problem. There's no professional opinion to suggest the problem occurred more recently, or for any other reason, so based on the evidence available to me, it's likely the problem was present for many years – and prior to Mr S owning the property. I recognise Mr S says he wasn't aware of the problem, but I don't think that makes a difference in these particular circumstances. So I'm satisfied it was fair for UKI to rely on this reason to decline the claim.
- Whilst UKI says there's rising damp, it hasn't provided any evidence to show that's the case. Or to show that any damp was caused by this leaking connection. So I'm not persuaded UKI has shown there's a link between this leak and any other damage, whether caused gradually or otherwise.
- I'm not satisfied there's any evidence to show the problem was caused gradually and/or by wear and tear. If the problem was caused when the connection was installed, that's not indicative of gradual damage. And there's no professional opinion to say the damage has likely got worse over time, such that the damage could have been caused, or contributed to, by wear and tear or other gradual causes.
- Overall, this means I'm satisfied UKI declined the claim fairly, based on the policy term for faulty workmanship, faulty design or the use of faulty materials.

Does the recent professional advice provided by Mr S make a difference?

- Mr S told our investigator he'd taken professional advice about resolving the problem. He provided some information, which is a summary of recent investigations he arranged into the source of the water causing damage. It doesn't seem to include any survey of the underground drainage system. So I don't think it relates to A's opinion about the pipe connection – or UKI's decision to decline that claim. As a result, I'm not persuaded it makes a difference to this complaint.
- The investigations say they found a leaking pipe behind plasterboard, which caused the water damage. I understand Mr S considers this was the source of the water leak all along, so this should have been found by A and covered by the policy.

- This information has come many months after UKI's complaint response, and I haven't seen anything to suggest it's been shared with UKI yet. As it relates to a different leak, I don't think it's directly relevant to this complaint. And UKI is entitled to an opportunity to consider it and what impact it may have on the claim. So I won't consider it within this complaint. It will be shared with UKI, who should consider it and get in touch with Mr S to take the next steps.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 January 2025.

James Neville
Ombudsman