

The complaint

Mr & Mrs V complain that Advantage Insurance Company Limited (“Advantage”) declined a claim for damage from an escape of water under their home insurance policy.

What happened

Mr & Mrs V had a home insurance policy with Advantage covering their home, taken out through a broker. At the same time, they also had a domestic emergency assistance policy (“DEA”) covering emergency callouts. This policy is underwritten by a different insurance company.

In May 2024 Mr & Mrs V noticed some marks on their house walls, apparently from water damage. They contacted the broker and told it about the problem.

The broker said they should claim under the domestic emergency cover. Mr & Mrs V submitted further details of the claim online and a repairer was sent to their house.

The repairer established that there was a leak from some silicone sealant in a bathroom. It said the repair wouldn’t be covered under the domestic emergency policy. It told Mr & Mrs V to not use the shower and have sealant repaired. So Mr & Mrs V decided to have the sealant replaced by a local tradesperson.

Having had the sealant repaired, they contacted Advantage to make a claim for the damage to their water, flooring and doors that’d been caused by the water leak.

Advantage then said their claim was declined because they’d had the repairs done already and there was no evidence about what had caused the damage. The sealant was about 5-6 years old which Advantage said would have needed replacing. So it told Mr & Mrs V it would exclude the damage under its wear and tear exclusion. It later said it thought the poor workmanship exclusion may apply.

Mr & Mrs V complained. The broker said the DEA operative should have taken photos showing the problem. It awarded them £50 compensation.

Mr & Mrs V remained unhappy and brought their complaint to this service. They ask that Advantage settle their claim. Our investigator looked into their complaint and thought it wouldn’t be upheld. He said he thought Advantage’s rejection of their claim was fair.

Mr & Mrs V didn’t accept the view. Because they didn’t agree, their complaint 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.

In later correspondence with this service, I can see Mr & Mrs V mention they are still able to see beads of moisture suggesting the leak may be ongoing. If they think this is the case,

then I'd suggest they have this investigated further, perhaps by contacting their broker under the home emergency cover.

I'd also like to thank Mr & Mrs V for their patience while their complaint was with this service.

Having read the file of evidence, I'm not going to uphold Mr & Mrs V's complaint. I do appreciate they'll find my decision disappointing, and I'll explain why I've decided it.

I've started by considering the cover under their policy:

"2. Escape of water or oil

What's covered

Loss or damage:

- *Caused by water leaking from or freezing in:*

a fixed water, drainage or heating installation"

There's an exclusion under the policy dealing with what the DEA operative said was the cause of the leak:

"What isn't covered

Loss or damage:

- *Caused by the failure or lack of grouting or sealant known to you or that you ought to have been aware of"*

The wording used in the cover and exclusions is reasonably common in the insurance marketplace, and I think they're fair.

In this case, Advantage has declined to cover their claim on the basis of the sealant problems.

The key area here is that Mr & Mrs V say they were unaware of the problem with the sealant, which had been fitted when their bathroom was new about 5-6 years before.

But I can see that the initial callout, for the domestic emergency service, reported that the leak was caused by failing sealant. I can't see Mr & Mrs V disagree with this point.

What this would reasonably seem to indicate is that the exclusion applies in this case, and therefore Advantage reasonably declined Mr & Mrs V's claim. I do appreciate their point that the bathroom was relatively new, and so how would they have known about the sealant issue, but their cover with Advantage doesn't mean they don't have to continue to maintain their property. Sealant is typically something that needs care and replacement over time.

I've also thought about the wider meaning of the exclusion. What I mean by that is that my understanding of Mr & Mrs V's position on their claim is that they weren't reasonably aware of the problems with the sealant on their shower. But it seems to me that the exclusion is wider than only knowing whether there was a problem with the sealant on its own, it's about whether the subsequent damage resulting from the leak was reasonably evident.

I asked Mr & Mrs V for pictures of the damaged area, and I can see the water damaged area is quite large, both to the wall and a wooden floor below it. I understand from their

description of the damage that it was, effectively, hidden by furniture and it was very much located in the corner of a room. They've talked about the damage being accidentally discovered by a family member.

But having thought about the size of the damage, I think Mr & Mrs V should reasonably been aware of it. And they've talked about water dripping or being on the top of a nearby door frame causing damage, which I think would reasonably be more visible.

What this means is, I think the exclusion applies because Mr & Mrs V should reasonably have been aware of the water coming through, and should reasonably have dealt with the issue given they understand that the location of the shower was above where the water was causing the problem.

I've also thought about the actions of the DEA operator which came to their house to identify the source of the original problem. Although I'm not able to consider a complaint about the DEA policy here, as it was underwritten by a different insurance company, I can see the DEA operator didn't take photos of the failed sealant. The broker said it would pay Mr & Mrs V £50 compensation for this.

Mr & Mrs V have said that this failure to evidence the problem meant that Advantage wasn't able to diagnose the problem. But I don't agree. The DEA operative said the reason for the leak was sealant failure, and I think it's reasonable for Advantage to rely on this.

In their approach to this service, Mr & Mrs V talked about Consumer Duty. One of the outcomes of this states:

"A firm must act to deliver good outcomes for retail customers"

A good outcome for a retail customer means they are sold products which provide valuable benefits at an appropriate price, that they receive the service and support promised or to be reasonably expected, and that there are no barriers to them cancelling or deciding not to renew.

So, although the policy doesn't seem to provide the cover Mr & Mrs V expected, I think the file of evidence shows that the sealant exclusion reasonably applies. And as a result I'm not persuaded that Advantage's actions here are in breach or against its obligations under Consumer Duty.

What this means for Mr & Mrs V is that I think Advantage rejected their claim fairly and in line with the policy terms and conditions.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs V to accept or reject my decision before 4 April 2025.

Richard Sowden
Ombudsman