

The complaint

Mrs H and Mr S complain that Accredited Insurance (Europe) Ltd (“Accredited”) has unfairly declined a claim they made for trace, access and repairs following a leak at their home.

What happened

Mrs H and Mr S first realised they had a leak when their boiler began to lose pressure. They called a plumber who confirmed that the boiler was working but that there was a leak somewhere in the system. So Mrs H and Mr S checked their insurance policy to make sure they’d be covered for trace and access work, and then hired a leak detection expert to locate the source of the leak. They also had temporary repairs carried out to the affected pipe.

When they made a claim under their policy, however, Accredited said it wouldn’t cover the cost of the trace, access or repairs, as there wasn’t any damage caused by the leak. Mrs H and Mr S didn’t agree, so they made a complaint. They said that although there wasn’t much damage, they did have evidence of water damage. They also said they couldn’t see that the policy required there to be damage to claim for the leak detection work.

In its response to the complaint, Accredited said that under the escape of water section of the policy, there would need to be evidence of water damage in order for there to be a valid claim for trace and access work. And it offered Mrs H and Mr S £200 for taking longer than it should’ve to provide them with an outcome.

Mrs H and Mr S accepted the compensation for the delay, but didn’t accept Accredited’s overall response in relation to the claim. They said the claim should be honoured as they were now out of pocket, and that they could provide evidence of the water damage. So they referred their complaint to this service. Our Investigator considered the complaint, but didn’t think it should be upheld because the policy only provided trace and access cover for the location of a source of damage – and there was no damage evident in this case.

Because Mrs H and Mr S didn’t agree with our Investigator, the complaint has now come to me to decide.

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 this is an informal service, I’m not going to respond here to every point or piece of evidence Mrs H and Mrs S and Accredited have provided. Instead, I’ve focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

I’ve checked Mrs H and Mr S’s policy carefully. And under the section entitled: “*Trace and access (finding the problem)*” it says:

“We will also pay up to £10,000 per incident for reasonable and necessary costs to remove any part of the building to find the source of damage to your home caused by:

- a. water escaping from any fixed water or heating installation, apparatus or pipes; or*
- b. oil escaping from any fixed oil-fired heating installation, apparatus or pipes”.*

It goes on to say, *“We don’t cover...loss or damage to the apparatus or pipes the water or oil has escaped from”.*

So I’m satisfied that in declining to cover the trace and access works, Accredited has applied the policy terms fairly, because the policy says that trace and access cover is for finding the *“source of damage”* to the home, not for sourcing a leak where there’s no damage, or for fixing the pipe itself. And in this case, I’m persuaded by the evidence that there wasn’t any physical damage to the home.

I say this for a number of reasons. Firstly, I’ve looked carefully at all the photos provided by Mrs H and Mr S, which show the pipework and the inside of the kitchen units. And I’m afraid that having looked closely at the images, I can’t see anything which could be described as damage due to the leak. The leak detection company’s notes also confirm *“No evidence of water damage”*, and Mr S wrote to Accredited on 31 March to confirm that he wasn’t claiming for leak damage, only leak detection and the subsequent repair.

Without there being any physical damage to the buildings, this policy wouldn’t cover the costs for tracing and accessing the leak and any subsequent repair. So I don’t consider Accredited to have acted unfairly in declining the claim on this basis.

I’ve taken into account what Mrs H and Mr S have told us about needing to mitigate their losses and rectify the problem before any significant damage was caused to their home. I appreciate this position and completely understand the need for them to have taken the action they did. But insurance policies aren’t designed to cover every eventuality without limitation. And unfortunately, as there’s no evidence of damage to the home caused by the leak, I’m satisfied that the trace and access provisions do not apply in this instance.

I’m sorry to disappoint Mrs H and Mr S, but in the circumstances, I’m not persuaded that Accredited has acted unreasonably by declining the claim for the reasons it did. And I consider its offer of £200 compensation to be appropriate for the delays caused, so I won’t be requiring it to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs H and Mr S to accept or reject my decision before 26 January 2025.

Ifrah Malik
Ombudsman