

The complaint

The estate of Mrs A (“the estate”) complains that Fairmead Insurance Limited (“Fairmead”) unfairly declined its claim for damage caused by an escape of water, under the executor’s home buildings insurance policy.

What happened

An escape of water occurred in the late Mrs A’s attic in December 2022. This was reported by a neighbour on 12 December. Extensive damage occurred throughout the property. The estate made a claim to Fairmead under the executor’s insurance policy. It says evidence including energy bills were provided to show the terms of the policy were met. But Fairmead declined its claim saying the policy endorsements weren’t adhered to.

In its final complaint response Fairmead says it sent loss adjusters to investigate the claim on 18 December 2022. It found that a pipe had frozen and burst causing the escape of water. Fairmead says its policy requires the property to be heated to a minimum temperature between November and April. Or that all water supplies are turned off and water has been drained from the system.

In its response Fairmead says the energy bills the estate provided were estimated and don’t show that the property was maintained at the required temperature. It says a final bill was provided when the estate sold the property. This shows only a small amount of gas usage for the period from November 2022 to January 2023. Fairmead says the plumbing report it received confirms that a heating circuit pipe had frozen and split in at least one area. It says had the heating been maintained at the required temperature this couldn’t have happened. It maintained its decision to decline this claim.

The estate didn’t think Fairmead had acted fairly and referred the matter to our service. Our investigator didn’t uphold its complaint. She says the evidence supports Fairmead’s view that the policy endorsements weren’t adhered to. So, she didn’t think it had acted unfairly when declining this claim.

The estate didn’t accept our investigator’s findings and asked for an ombudsman to consider its complaint.

It has been passed 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.

Having done so I’m not upholding this complaint. Let me explain.

It’s for the policyholder to show that an insured loss has occurred. If it can then the insurer should pay the claim. This is unless it can reasonably rely on a policy exclusion not to.

The executor's policy provides cover for damage resulting from an escape of water. There's no dispute about this point. But Fairmead says its policy endorsements, that were made clear when it issued this policy, weren't met. I've thought carefully about whether it treated the estate fairly when declining its claim for the reasons it gave.

The estate's statement of insurance document under "*Applicable Endorsements*" says:

"Unoccupancy clause

When your home is left unattended for more than 24 hours we will not:

- ...provide cover under Buildings Cover in respect of loss or damage resulting from escape of water or oil during the period 1st November to 1st April unless central heating is installed and is maintained to a minimum temperature of 58 degrees Fahrenheit (15 degrees Centigrade), or you have turned off all water supplies at the mains and drained the water from the system."*

And:

"Further it is a condition that:

Your home is visited at least once a week by you or a competent person acting on your behalf and thoroughly inspected externally and internally with any defaults rectified immediately."

There's no dispute that the property was unoccupied at the time of the claim. From what I've read it had been unoccupied for some time prior to this. It's clear that the water hadn't been turned off and the system drained. If it had there wouldn't have been an escape of water. So, the estate needs to show that the property was maintained at the correct temperature to comply with the policy terms. I've seen a plumber's report that states the damage was caused by a frozen pipe that had burst. So, the policy term requiring a minimum level of heating is material to this claim.

I've seen the estimated billing information the estate sent to Fairmead. This doesn't show actual usage. I don't think it reasonably shows that the estate adhered to the heating requirement. A final bill was provided. But Fairmead points out that this was based on a meter reading taken after the escape of water occurred. The business refers to low usage that isn't indicative of the heating being on and maintained at the required temperature. From what I've read I think the points it makes are fair. I don't think the estate has shown that there was sufficient gas usage to maintain the property at a minimum of 15 degrees centigrade in November/December 2022.

Based on this information I'm more persuaded by Fairmead's view that the property wasn't heated in line with its policy terms. I also think the business makes a fair point that it would be impossible for a pipe on the heating circuit to freeze, and then burst, if the heating had been on and maintained at the required temperature. So, I don't think the estate has reasonably shown that it acted appropriately to heat the property to the minimum temperature required by its policy.

I've looked at the inspection records the estate supplied from company managing the property. This indicates that visits were made to the property on around a weekly basis. Albeit there are occasions when the visits are less frequent. On 1 December 2022 the records say a viewing was conducted. The next record is two weeks later on 14 December. So, the requirement for the property to be visited weekly wasn't met at this time. On this occasion a limited note mentions there has been a leak. None of the records mention

anything about heating.

Fairmead raised some concerns with the records the estate provided. It found that the visitation document was created after the claim had been submitted. It also comments that this information doesn't include any reference to whether the property was being heated.

Whether this document was created after the claim or not, I agree with Fairmead that it doesn't demonstrate the property was being heated. The policy endorsements require regular inspections in addition to the property being heated to a minimum temperature. I'm not persuaded that the estate has shown the heating requirement was met, which is material to the estate's claim.

Having considered all of this I don't think Fairmead acted unfairly when it relied on its policy terms to decline the estate's claim for the reasons it gave. So, I can't reasonably ask it to do anymore.

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 the estate of Mrs A to accept or reject my decision before 28 February 2025.

Mike Waldron
Ombudsman