

## The complaint

Mr and Mrs H complain Accredited Insurance (Europe) Ltd unfairly declined a claim they made for damage to their driveway following a leak from an underground pipe.

## What happened

Mr and Mrs H found water on their driveway. They had part of the driveway dug up to find and fix the leak. They made a claim on their home insurance policy for the costs incurred, and for damage to the driveway. They said the leak had caused the driveway to drop in places.

Accredited declined the claim. It said no damage had been caused to the driveway due to the leak, and the costs of tracing and accessing the leak weren't covered under the policy. Mr and Mrs H complained but Accredited didn't change its position. So they referred their complaint to the Financial Ombudsman Service for an independent review.

Our Investigator thought Accredited had acted unfairly in declining the claim. She said Mr and Mrs H were covered under the policy for 'trace and access', so Accredited should reimburse them what they paid for these works. She also thought Accredited should revisit and examine the driveway for evidence of any impact from the leak.

Accredited asked for an Ombudsman to consider matters, it didn't think any drop in the drive was due to the leaking pipe. It didn't comment on the trace and access cover.

In January 2025 I issued a provisional decision on this complaint. I said I intended to reach a different outcome to that of our Investigator and I intended to decide Accredited didn't need to reassess the claim. I did however say Accredited had offered £414 to resolve the complaint which I was minded to decide was fair. A copy of my findings is below.

*Mr and Mrs H's policy provides cover for certain insured events, or 'perils' as they're referred to in the policy. As is usual in insurance, not every bit of damage that might happen to a home is covered under this insurance policy.*

*Mr and Mrs H have cover for an escape of water. The relevant part of the policy says:*

*"We will cover loss or damage caused by:*

- a. Escape of water from any:*
  - i. Fixed domestic water installation;*
  - ii. Heating system (including radiators or boilers);*
  - iii. Washing machine, dishwasher, fridge or freezer;*

*At your property; or*

- b. Water freezing in tanks, apparatus and pipes at your property".*

*Mr and Mrs H had an escape of water from a water pipe extending from their property to the mains. I'm not persuaded the pipe could be considered a "fixed domestic water installation". My understanding of "fixed domestic water installation" would be to cover showers and baths, not pipes that service that property. I say this because the other items listed as*

covered are within the home, suggesting this section of the policy is designed to cover escape of water from those installations within the home.

I also haven't seen any evidence that the cause of the leak was water freezing in pipes, which possibly could be covered under this section.

As such, I'm not persuaded the leak is covered under this section of the policy. And even if I did consider the leak to be covered, I'm not persuaded, based on the evidence I've seen, there was any actual damage caused by the leak. Mr and Mrs H have provided a quote for a new drive, this says the leak had "sunk certain areas of the drive by washing away sand from under the blocks". Mr and Mrs H have also provided some photographs which they say show dips in the drive where water pools when it rains. But the area they've highlighted as being sunk doesn't appear to be where the leak happened.

Accredited's view is that the main drop to the drive can be seen near to the property, rather than where the leak happened. It said this showed the drop in the drive was more likely due to how it had been laid, rather than the escape of water. There also isn't any evidence of damage to the blocks on the drive, which might be caused by a sudden drop due to an escape of water.

Having considered everything I have, I'm more persuaded by Accredited's arguments. The drops in the drive, to me, don't seem consistent with where the leak was discovered. So it follows I don't think Accredited has acted unreasonably in declining the claim.

#### Trace and Access

Mr and Mrs H were told by Accredited that they'd be able to claim for the cost of accessing the leak. Under the policy terms provided by Accredited in relation to this complaint, there is a section covering 'trace and access'. This is included in the "escape of water" section of the policy, rather than as standalone trace and access cover. So it seems to me that trace and access costs are only covered when there is an insured peril - of escape of water covered by the policy - which has created a need for the trace and access works. For example, if there was a leak from a washing machine (covered under escape of water peril) then the cost of tracing and accessing that leak, and repairing the resultant damage from doing so, would also be covered by this part of the policy.

Unfortunately for Mr and Mrs H, as I've already set out above, I don't think an insured peril did happen, as the escape of water from the pipe under the drive isn't covered by the policy. And so their costs incurred in sourcing the leak and fixing this part of drive dug up for access, are also excluded under the policy.

#### Accidental damage to mains services

Mr and Mrs H do have cover for accidental damage to mains services, which could provide cover for fixing the damage to the pipe. But for this to apply it needs to be shown that the definition of accidental damage – as set out in the policy – is met. This is set out as:

"sudden an unexpected physical damage which:

- i. happens at a specific time; and
- ii. was not deliberate; and
- iii. was caused by something external and identifiable."

I consider some parts of this term have been met. Mr and Mrs H were alerted to the issue suddenly when their driveway became flooded, and there's no suggestion any damage to the pipe was done deliberately. But from what I've seen there's no evidence the damage to the pipe was caused by something "external and identifiable".

The contractors who fixed the leak and quoted for the repairs described the pipe as "thinning". There was no "external and identifiable" cause given for the pipes failure other

*than it being described as “old”. Under a claim for insurance, it is for the insured – and so in this case Mr and Mrs H – to show they’ve suffered damage covered by the policy. I don’t think that has been done here, no external and identifiable cause for the damage has been given. As such, I don’t think Accredited acted unfairly in not considering the claim under this peril, as it didn’t meet the definition of accidental damage to underground pipes.*

*As such, I’m minded to decide Accredited has acted reasonably in declining the claim for damage to the water pipe, as it hasn’t been caused by an insured event.*

#### The handling of the claim

*When Accredited responded to this Service’s request for its files, it said that had Mr and Mrs H contacted it to investigate the leak, it would have instructed a specialist company to carry out the investigation. It said with that in mind, whilst it didn’t consider the claim should be met, it would, as a gesture of goodwill, pay Mr and Mrs H what it would have paid for investigation costs, which was £414.*

*Mr and Mrs H say they did contact Accredited and it didn’t assist them as it wasn’t considered an emergency. However, it appears Accredited couldn’t assist because they contacted them on a weekend, when the claims team weren’t available. Had Mr and Mrs H been able to wait until a weekday for the repair needed, Accredited says it could have provided support.*

*In any event, I think Accredited should pay Mr and Mrs H £414 to resolve the complaint, as I think it should pay compensation because its handling of the claim has caused unnecessary frustration to Mr and Mrs H. Accredited hasn’t been clear with them about its reasons for declining the claim. It also misleadingly told Mr and Mrs H their costs would be reimbursed.*

*Mr and Mrs H say Accredited’s surveyor didn’t tell them, when he attended, that the claim would be declined, they were only told that later. Even though Accredited’s final response letter said Mr and Mrs H had been given the claim outcome at the time of the visit. All of this has caused Mr and Mrs H unnecessary confusion.*

*Given Accredited has offered £414 to resolve the complaint, I’m minded to decide that this is now what it should pay.*

#### Responses to my provisional decision

Accredited accepted the provisional decision and said it would make payment to Mr and Mrs H.

Mr and Mrs H said they were grateful for some compensation, but wanted to make the following points:

- the leak likely started overnight, as there was significant water, and the volume of which has caused the sand to disperse and the drive to sag.
- The drive, at the point of the leak, was only four months old, so wear and tear wasn’t likely to be a factor in the drive subsiding in certain areas, particularly as cars weren’t usually parked in the area of the drive that has sagged.
- If Accredited wasn’t going to cover the claim, why would it have come out if they’d contacted it the following day after they initially raised the claim.

#### **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, the comments made in response to my provisional findings haven’t altered my view on the fair and reasonable outcome of the complaint. Whilst I note Mr and Mrs H’s

comments about the drive, as I'm satisfied an insured event hasn't occurred under the policy, it follows that I don't think Accredited has ultimately acted unfairly in declining the claim for damage to the drive.

Accredited did say, however, it could have provided assistance had Mr and Mrs H contacted it during the working week. Mr and Mrs H say if the claim wasn't going to be covered then why would Accredited provide any assistance. I think it's likely that, at the point the claim was made, Accredited might have thought Mr and Mrs H could have a valid claim, particularly in relation to accidental damage to mains services. As set out in my provisional findings, that section of the policy does provide cover for repairs to services in certain circumstances. But Accredited likely wouldn't know, until it attended, if this part of the policy would respond or not. I think that's why Accredited has agreed to pay Mr and Mrs H the outlay it would have had relating to this.

And for the reasons set out in my provisional decision, I think it should fairly and reasonably pay this amount to Mr and Mrs H.

### **My final decision**

My final decision is that I uphold this complaint and I direct Accredited Insurance (Europe) Ltd to pay Mr and Mrs H £414 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 27 February 2025.

Michelle Henderson  
**Ombudsman**