

The complaint

Mr F and Mrs F have complained that Lloyds Bank General Insurance Limited trading as Halifax (Lloyds) unfairly declined a claim under their home insurance policy.

What happened

Mr F and Mrs F's boiler was losing pressure. So, they arranged for a plumber to locate the leak. As part of this, the plumber cut through their floor in various places to access the leaking pipes and carry out the repairs. Mr F and Mrs F then contacted Lloyds to make a claim under the trace and access cover in their policy.

Lloyds appointed a company to assess the damage. No water damage was found. The only damage was to the floor where the plumber had cut through it to find the leak. So, Lloyds declined the claim. When Mr F and Mrs F complained, Lloyds said the policy provided cover where buildings were damaged by leaking water. No evidence of water damage had been found.

When Mr F and Mrs F complained to this Service, our Investigator didn't uphold it. He said the policy said there needed to be damage from the leaking water for the trace and access cover to apply. The policy also said policyholders should contact Lloyds before trace and access was carried out. He said if Mr F and Mrs F had done this, Lloyds would likely have asked what damage there was from the leak and explained there was no cover if damage wasn't found.

Mr F and Mrs F didn't agree. They said the boiler had been losing pressure and the plumber had to damage the floor to get to the leak and carry out a repair. They said the actions they took were consistent with the trace and access cover under the policy. They said they had been treated unfairly, including in relation to the Consumer Rights Act 2015. The only action they didn't take before commencing the repairs was to contact Lloyds. However, they did this promptly once the leaks were repaired. Lloyds had requested quotes for the repair. Lloyds' contractor also reopened the floor to assess the damage. Lloyds then declined the claim as it said there was no damage. So, the complaint was 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.

Having done so, I don't uphold this complaint. I will explain why.

I've taken into account relevant regulatory rules, guidance principles and the law, including the Consumer Rights Act 2015, when deciding this case. The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably.

I've looked at the policy booklet. This said:

"We'll pay claims where your buildings or your contents are damaged by: ... 8. Leaking water and oil".

So, I think the policy was clear that for a claim to be covered there needed to be damage caused by leaking water. I don't think there is anything unusual about this.

The policy explained the trace and access cover, which included that it would cover the cost of finding the leak and of repairing the damage caused in finding the leak. The trace and access cover was listed within the section on leaking water and oil. So, there remained the requirement for there to be damage caused by the water leak for Lloyds to cover a trace and access claim to locate and repair the leak. Again, I don't think this was unusual.

The trace and access cover also said *"If you or your plumber need to damage your buildings, we'll need to agree to the work before it takes place. So please call us first."* I think this requirement was clear. It also isn't in dispute that Mr F and Mrs F didn't contact Lloyds before the trace and access work was carried out.

When Lloyds looked at the claim, it said there wasn't any damage. So, I've looked at whether that was reasonable. It's my understanding that it isn't in dispute that there was no damage from the water leak itself. Lloyds also appointed a company to assess the damage. I've read its report about what it found when it visited Mr F and Mrs F's property. This noted that no drying was required and the only work required was refitting the skirting board and reinstating the flooring. This work was the result of the trace and access being carried out. As there was no damage from the water leak itself that meant there was no cover under the policy, including for the trace and access. So, I think it was fair for Lloyds to decline the claim.

I've also thought about whether it would have made a difference to the claim if Mr F and Mrs F had spoken to Lloyds before they carried out the work. I think it's more likely than not that Lloyds would have asked Mr F and Mrs F whether there was any damage from the water leak. I think it would also have explained that if there was no damage at that time and none was found during the trace and access work that there would be no cover for it and it wouldn't pay the costs involved. So, I think it's fair to say that the only difference was that Mr F and Mrs F would have been aware in advance that their claim for the trace and access work might not be covered.

So, while I'm aware this will be a disappointment to Mr F and Mrs F, I don't uphold this complaint or require Lloyds to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 7 April 2025.

Louise O'Sullivan
Ombudsman