

## **The complaint**

Mr C complains that Aviva Insurance Limited (Aviva) declined his claim for a leak under his home insurance policy.

## **What happened**

Mr C held a plumbing and drainage home insurance policy underwritten by Aviva. He contacted them in August 2024 after he discovered a leak from inside his property's Thermal Interface Unit ('TIU').

Aviva considered the claim but ultimately declined to cover the fault. They said a policy exclusion applied to heating system components - and as they deemed the leaking part of the TIU to be a component of Mr C's heating system, there wasn't any cover.

Mr C didn't agree and raised a complaint. He said the policy's terms and conditions were not clear and as they stated that leaks from pipes are covered, because the leak inside the TIU was on a pipe, the policy should cover its repair. He also said the policy's terms didn't define what a heating system component was, and therefore it was unfair for Aviva to apply this to the TIU.

Aviva considered the complaint but didn't uphold it. They maintained that the leak from the TIU would be a component of Mr C's heating system and they were correct to say that a repair would not be offered in this case. Mr C remained unhappy with Aviva's response to his complaint – so he brought it to this Service.

An Investigator looked at what had happened but didn't think the complaint should be upheld. She said that the terms were sufficiently clear and that based on the evidence Mr C had provided, the problem with the TIU was with an internal component and wasn't something the policy wasn't designed to cover.

Mr C didn't agree with the Investigator's findings – he said the Investigator had taken Aviva at their word about what they wanted their policy to cover instead of looking at the contract and applying a legal interpretation. Mr C explained that the leak came from a pipe which was within his property, so it met the definition under the plumbing and drainage policy.

He also said that as there was no clarity within the policy as to what a heating system component was – the policy was ambiguous and therefore the principle of 'contra proferentem' should apply – in which ambiguity in a policy should be interpreted in the favour of the insured.

Mr C asked for an Ombudsman to consider the complaint – so, it's 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've decided not to uphold this complaint. I'll explain why

My role as an Ombudsman at this Service requires me to decide how I think a complaint should be resolved quickly, and with minimal formality. That means I'll focus on what I consider to be the key points of the complaint. Where I don't comment on every point made by the parties, that's not to say I haven't seen or considered them. I have carefully considered all points raised by both parties, but I do not consider it necessary to specifically reference them in reaching my decision. And when considering what's fair and reasonable in the circumstances, I have taken into account the relevant law and regulations, regulator's rules, guidance and standards and codes of practice.

This complaint focuses on whether Mr C's policy with Aviva covers the leak from his TIU. Aviva says it does not as the part that started leaking is within the casing of the TIU and would therefore be considered a heating system component, which are not covered under the policy. The relevant exclusion Aviva has relied on says it doesn't cover:

*"Repair or replacement of leaking radiators, hot water cylinders and Heating System components, zone valves, pumps, filters, unless there is no other way to stop or isolate a leak".*

Mr C says that the words "*Heating System*" are not specifically defined in the policy and says that the principle of contra proferentem should apply – which essentially means if the contract is ambiguous, it should be read in favour of the party that did not draft it. The Insurance Conduct of Business Sourcebook ('ICOBS'), under ICOBS: 2.2.2R requires information from a business to be clear, fair and not misleading. But having considered the exclusion Aviva are relying on, I don't believe the wording of the exclusion is ambiguous or unclear.

This means I don't think it's necessary to apply the doctrine of contra proferentem in the circumstances of this complaint, as I think the exclusion is capable of being understood without needing to do that. In interpreting policy terms, the starting position for undefined words in insurance contracts is to use their ordinary, everyday meaning which reflect the intention of the parties and the commercial sense of the agreement.

I would consider an ordinary meaning of '*Heating System*' to be fairly understood as applying to the system in Mr C's property. While I have carefully considered Mr C's submissions around why a TIU and boiler are different, I consider a fair understanding of the function the TIU carries out to be a heating system. And I think this is supported by Mr C's engineers' evidence he supplied, which said that the part that was leaking "...*feeds cold water into the HIU which is transformed into hot water towards the pipes*". Therefore, the next test for me to consider is whether the leaking parts would be components of that heating system or not.

A key point in contractual interpretation is how the words would be understood by a reasonable person – in other words, the ordinary policyholder. On balance, I find that it would be reasonable to conclude that parts that make up a heating system, to allow it carry out its intended function, would be ordinarily understood to be components of that system. So, in this case, I don't think Aviva's definition is an unreasonable interpretation of the term as it's consistent with an ordinary, everyday meaning. While Mr C has highlighted the seller of the policy's website contains nothing to show that HIU units are specifically excluded from cover – this doesn't then mean that they would then be automatically covered by default. And ultimately, I'm not persuaded that an ordinary policyholder would understand their plumbing and drainage insurance policy to cover parts that make up the internals of a heating system.

I understand Mr C will be disappointed by my decision, and I am sorry to read about the financial impact the leak has had on him. But my role here is to decide whether Aviva have acted fairly and reasonably in declining the claim – and from the information I've seen, I think they have.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 June 2025.

Stephen Howard  
**Ombudsman**