

The complaint

Miss B is unhappy that Advisory Insurance Brokers Limited (“AIB”) didn’t inform her at the point of sale that her home insurance policy excluded escape of water.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

Miss B bought a buildings insurance policy for an unoccupied property through the broker, AIB.

After an escape of water at the property, and after the insurer declined her claim, Miss B complained to AIB. She said it hadn’t expressly told her when she bought the policy that cover wasn’t available for an escape of water. She said she remembered stating she wanted cover for flood and, to her, an escape of water is a flood. Miss B said a manager listened to her calls and agreed AIB had been at fault.

AIB then issued a final response in which it said it had given Miss B correct information and it had discussed the policy exclusions with her, including the escape of water. Further, AIB said it issued written confirmation and advised Miss B to read the policy documents to confirm her understanding. Therefore, it didn’t uphold her complaint.

Miss B couldn’t understand how the manager had said it was AIB’s fault yet it hadn’t upheld her complaint. So she brought her complaint to us.

Our investigator said AIB had given Miss B the correct information about the cover available to her, and she’d confirmed that she understood the policy exclusions during her call. Therefore, our investigator didn’t think AIB had done anything wrong.

Miss B didn’t agree. She repeated that a manager had told her AIB was at fault and she asked for an ombudsman 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 Miss B's complaint for broadly the same reasons as our investigator.

The regulator's principles say that firms must act in the best interests of their customers and treat them fairly. I've taken into consideration the relevant obligations, and all other evidence in relation to the policy sale. For clarity, I haven't looked at the claim itself or the insurer's decision to decline it. My remit, here, is to decide whether AIB acted in Miss B's best interests and treated her fairly when she purchased the buildings insurance policy.

When Miss B bought the policy, she said she wanted cover for flood, storm, theft and fire. The policy AIB sold to her included those four risks. Miss B said she thought that flood also covered the escape of water risk. I've listened to the call recording and AIB listed the risks *not* covered. The first risk it talked about was escape of water, and the agent read out the exclusion shown in the policy wording. Miss B confirmed she understood the exclusion.

I've looked at the policy documents which confirm:

19. ESCAPE OF WATER EXCLUSION

Cover is hereby excluded in respect of any loss of damage resulting from Escape of Water [...] from any interior fixed heating or domestic water installation, washing machine or dishwasher.

Therefore, I'm satisfied that escape of water is not the same as flood, and that AIB and the policy documents made it clear that escape of water was excluded.

The policy sets out the detail of the contract between Miss B and the insurer. When she bought the policy, AIB explained that she had a 14-day cancellation period during which she could also make any changes to suit her needs. That was a further opportunity for Miss B to check the cover available to her and let AIB know if she wanted cover for escape of water. There's no evidence to show that she did, and Miss B doesn't claim to have contacted AIB about adding to the cover. As the policy documents are clear, and it was Miss B's responsibility to read them, I don't find that AIB did anything wrong here.

I understand Miss B doesn't agree that the detail in the policy and phone call matters. That's because a manager agreed with her that an escape of water can be considered a flood and that AIB was at fault for not making this clear. I haven't seen any evidence of this, though I've not doubted what Miss B said. But, regardless of whether the manager felt AIB was at fault, having listened to the calls and looked at the policy documents, I'm satisfied AIB did make it clear. It's my view that AIB did not give Miss B incorrect information, or sell her a policy different to that which she requested. I haven't seen any evidence that AIB did anything wrong.

While I appreciate the distress Miss B must've experienced because of the escape of water damage to the property, I can't reasonably say that AIB was responsible for her not having the appropriate cover for that specific incident. Overall, I'm satisfied that AIB sold Miss B the policy she asked for and that there's nothing for it to put right.

My final decision

For the reasons I've given, my final decision is that I don't uphold Miss B's complaint about Advisory Insurance Brokers Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 17 June 2025.

Debra Vaughan
Ombudsman