

The complaint

Mr R has complained that Accredited Insurance (Europe) Ltd (AIEL) unfairly rejected a claim he made for additional damage he says was missed from an escape of water (EOW) claim in 2023. Mr R made a claim under his home insurance policy.

What happened

In 2023 Mr R made a claim for an EOW from an outside soil vent pipe. Mr R arranged for the leak to be repaired. AIEL settled Mr R's claim by paying him a cash settlement for repairs to damage to his kitchen dining room.

In 2024 Mr R contacted AIEL as he discovered damage to his dining room – a separate room to the kitchen dining room.

AIEL said the damage was caused to the dining room because Mr R had failed to carry out suitable drying to the kitchen dining room. AIEL said the cash settlement it paid under the 2023 EOW claim included the costs to do this.

Mr R asked us to look at his complaint. One of our Investigators recommended Mr R's complaint should be upheld. She found from the surveyor reports that the dining room damage was most likely caused by the original EOW and had been missed by the original surveyor. Although Mr R doesn't dispute he didn't dry out the kitchen dining room, the Investigator reasoned that if this was the cause of damage to the dining room, she'd expect to see the same damage to the kitchen dining room. The surveyor reports carried out in 2024 found no evidence of an ongoing leak.

So the Investigator recommended AIEL reimburse Mr R for the costs he'd paid to repair the dining room. And she recommended AIEL pay Mr R £100 compensation for the distress and inconvenience caused.

Mr R accepted the Investigator's view. AIEL didn't agree. In summary it said Mr R's decision not to dry out the kitchen dining room is the cause of the damage to the dining room. It says there is dry rot, which the policy doesn't provide cover for.

So as AIEL didn't agree, the case was passed to me to decide.

I asked Mr R to provide a floor layout of his home to better understand the location of the original EOW and the location of the areas of damage. Mr R provided this.

I asked AIEL to provide a copy of the breakdown of the cash settlement it paid for the 2023 EOW claim. I also asked it to provide evidence it had highlighted to Mr R that part of the cash settlement included drying works.

AIEL hasn't responded.

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.

I've found the floor layout Mr R has provided to be very helpful in establishing the location of the original EOW. This came from a soil vent pipe positioned outside. It sits in the corner of the wall which adjoins the kitchen dining room and the dining room. Mr R explained that there is an internal brick wall separating the two rooms.

The original EOW was accepted and settled by cash payment by AIEL. The settlement was for decorative repairs to the kitchen dining room.

As the Investigator explained, if the failure to dry the area was the cause to the dining room damage Mr R reported in 2024, then it would be reasonable to expect the same damage to show in the kitchen dining room. But that isn't the case and Mr R isn't claiming for any damage there.

Mr R pointed out that dry rot can occur from wet rot. I've carried out some checks and I don't think what Mr R says here is unreasonable. It seems to be the case that wet rot can turn into dry rot. So I don't think AIEL has shown that it's fair to apply a 'dry rot' exclusion from the policy to reject Mr R's claim.

Having considered all of the surveyor reports, and both parties' comments along with the floorplan, I think it's more likely than not that AIEL didn't properly investigate Mr R's original EOW claim and failed to identify the extent of the damage to Mr R's home. So on balance, I find that the damage Mr R claimed for in 2024 to the dining room originated from the 2023 EOW from the soil vent pipe.

This means I'm upholding Mr R's complaint and my remedy is in line with the Investigator's. Mr R says he has paid for the repairs to the dining room privately when AIEL rejected his claim. He's provided a breakdown of the works. I think a fair outcome is for AIEL to reimburse Mr R for these repairs costs and pay interest at a rate of 8% simple interest a year.

It's clear that AIEL's decision to reject Mr R's claim for additional damage caused him distress and upset. I think the compensation award of £100 recommended by the Investigator is within the range of reasonable.

My final decision

My final decision is that I uphold this complaint. I require Accredited Insurance (Europe) Ltd to do the following:

- reimburse Mr R – subject to reasonable proof of payment - for the costs he paid for repairs to the dining room as part of the 2023 EOW claim.
- pay interest at a rate of 8% simple interest a year from the date Mr R paid to the date of reimbursement.
- pay Mr R £100 compensation for the distress and inconvenience caused.
- Accredited Insurance (Europe) Ltd must pay the compensation within 28 days of the date on which we tell it Mr R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.
- If Accredited Insurance (Europe) Ltd considers that it's required by HM Revenue

& Customs to withhold income tax from that interest, it should tell Mr R how much it's taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 July 2025.

Geraldine Newbold
Ombudsman