

## **The complaint**

Mr and Mrs W complain about a settlement offer by Ecclesiastical Insurance Office Plc (EIO) following a claim on their buildings insurance policy.

## **What happened**

The history of this complaint is well known to both parties, so I won't go into it in detail here. In summary, Mr and Mrs W suffered an escape of water at their property. EIO initially declined the claim due to the damage being caused gradually. Mr and Mrs W raised a complaint. EIO agreed to cover some of the damage and offered £5,000 to settle the claim. Mr and Mrs W were still unhappy as the offer wouldn't cover the full cost of repairs and brought the complaint to this service.

Our investigator didn't uphold the complaint. They didn't think the claim had been unfairly declined. Mr and Mrs W appealed. They maintained they reported the damage as soon as it was noticed. As no agreement could be reached, the complaint has been passed to me to make a final decision.

## **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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether EIO acted in line with these requirements with how they've offered to settle Mr and Mrs W's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Mr and Mrs W, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised their complaint in far less detail than Mr and Mrs W have, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

I'm sorry to hear about the damage caused to Mr and Mrs W's property and the cost to repair it.

Both EIO and Mr and Mrs W are in agreement that an escape of water has occurred. They're also both in agreement that the damage was caused gradually. Whilst our investigator has pointed out that the policy terms and conditions include an exclusion for damage by a gradual cause, he also pointed out that our service would expect any damage

caused should be covered up to the point the leak or any signs/damage caused by the leak were noticed, or should reasonably have been noticed. This is where the current dispute lies between EIO and Mr and Mrs W.

Whilst there was some damage and signs of a leak in the bathroom where the leak occurred, EIO has accepted that they wouldn't have expected Mr and Mrs W to have noticed them. They've therefore relied on when Mr and Mrs W would have noticed the leak as a result of signs in the kitchen.

Having reviewed the evidence provided in this complaint, there is a contradiction around when Mr and Mrs W first noticed the leak. Mr and Mrs W contacted their broker to log the claim at the start of April 2024. In their email, they said the following:

*"I noticed in the middle of last week a small amount of water dripping from the top of the window frame near the sink in our Kitchen... Today I have noticed some movement in the fixtures around the window and the sink. It seems that the brickwork may have swollen due to water seeping into it. The marble work surface around the sink has lifted, bowed and cracked and some small tiles have come away from the wall. Also some paper has come away from the wall."*

In EIO's loss adjuster's report, the following is reported:

*"The Insured's discovered water was leaking down the window frame in the kitchen alongside the sink, this they tolerated for some time but more recently, on 27<sup>th</sup> March 2024, the granite worktop split due to heave from the kitchen cupboards substrate beneath granite around the kitchen sink."*

Finally, in the forensic investigation report, the following was reported:

*"The escape of water was first observed in the beginning of February 2024 by Mr W. He noticed water coming down the inside of the sash windows in the ground floor kitchen and pooling on the kitchen granite worktop between the sink and window."*

Mr and Mrs W have reported that when they first noticed the leak, they arranged for their building contractor to attend who repaired some tiles on the roof. Again there is some contradiction in the evidence that has been provided. In the forensic investigator's report, it states the following:

*"When Mr W first noticed the water, as there were some tiles broken and dislodged on the roof above the window he contacted a local building company to replace the tiles, thinking it would resolve the issue. Tiles were replaced around the beginning of March 2024."*

However, Mr W has provided further testimony where he's stated the following:

*"as soon as we noticed some minor evidence of water ingress in the kitchen below the bathroom in question, we called in our usual building contractors. There was some delay in the contractors attending the property due to the Easter holidays, Therefore, we asked our broker to notify EIO of the problem"*

The forensic investigation report advises that they're unable to define how long the escape of water had been ongoing. However, they believed that in line with Mr W's testimony, the leak may have begun some time before February 2024.

Based on the amount of damage when reported to their broker at the start of April and how long the forensic investigator has said the leak would have been happening for, I'm most

persuaded by the comments in the report and think Mr and Mrs W first noticed the leak at the start of February 2024. I don't think they took further until action late March 2024. In this time, I think significant additional damage has been caused to the property which would have been avoided had they contacted EIO in February 2024. So, I don't think EIO has acted unreasonable in limiting their settlement offer to cosmetic costs in the kitchen and damage to the bathroom. Whilst EIO haven't been provided costs for the bathroom, they've said they'd be happy to consider the settlement further on receiving more details from Mr and Mrs W. I note that EIO has already made payment to Mr and Mrs W of their settlement offer. So, I don't think EIO needs to do anything further.

I'm very sorry that my decision doesn't bring Mr and Mrs W more welcome news at what I can see is a very difficult time for them. But in all the circumstances I don't find that EIO has treated Mr and Mrs W unfairly, unreasonably, or contrary to the policy terms and conditions in how they've offered to settle the claim.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint. I don't require Ecclesiastical Insurance Office Plc to do anything further.

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

Anthony Mullins  
**Ombudsman**