DRN-5709557

The complaint

Dr Y is unhappy with the decision made by Accredited Insurance (Europe) Ltd following a claim for accidental damage to underground pipes made under Dr Y's home insurance policy.

What happened

Dr Y took out a home insurance policy with Accredited. The policy defined '*Accidental damage'* as '*sudden, unexpected and physical damage which happens at a specified time; and was not deliberate; and was caused by something external and identifiable.'*

Dr Y's home experienced flooding in the garden. After looking into the issue, Dr Y found that the water had entered from a field adjacent to his garden. Dr Y instructed a draining specialist company (D) to investigate the pipes likely causing the flooding.

D's report recorded '*using CCTV found roots in pipe. Jetted with two tanks of water. Investigated again with CCTV to find big large stone in line 10-12m up from access in garden.'*

Dr Y contacted Accredited to make a claim under the '*Accidental damage to mains services*' section of his policy. Accredited arranged for a drainage company, C, to inspect the damage and advise on Dr Y's claim. C's report found '*We identified a visible defect under the retaining wall on the boundary of the property. The pipework was deemed to be coming from the field adjacent to the property and is damaged as it enters the boundary. The policyholder derives no benefit from the damaged section of pipework and therefore repudiation of the claim is recommended.'*

Dr Y was unhappy with C's findings. C re-attended Dr Y's home to further inspect and report on the likely cause of damage. C's report concluded '*The CCTV survey shows evidence of tree root ingress within the area of collapse, but we are unable to confirm if the roots have damaged the pipework or whether the pipework has failed due to a non insured peril*.'

Dr Y was unhappy with the poor handling of his claim, including the lack of clear communication about the cause of damage, and inaccuracies he'd noticed in the reports completed by C. Dr Y had repairs completed himself to the underground pipes.

Dr Y contacted Accredited to settle his claim for the costs he'd incurred. Accredited arranged for a surveyor to attend Dr Y's home. The surveyor determined:

- *x1 was caused by a root system infiltrating into the underground pipework. This is consistent with a gradual operating cause of natural breakdown of materials.*
- *x1 was caused by a stone blocking the pipework, which again is consistent with a gradual operating cause of natural breakdown of materials.*

Accredited said it wouldn't be paying the cost incurred by Dr Y in repairing the underground pipes based on the evidence it had seen. Dr Y complained about Accredited's decision not to settle the claim. Accredited accepted that its service had been poor in respect of the communication with Dr Y during the claim. For this failing it offered Dr Y £300. Accredited said the liability decision itself wouldn't be changed.

Dr Y was unhappy with this response and brought his complaint to the Financial Ombudsman Service. The Investigator found that Accredited had acted reasonably in reaching its decision on Dr Y's claim, and said the offer of £300 was reasonable for what went wrong with the poor handling of Dr Y's claim, and impact on him. As the complaint couldn't be resolved, it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Claim decision

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So, I've considered the evidence to determine whether Accredited has acted fairly and reasonably in reaching its decision on Dr Y's claim.

The claim here, if it was to be covered, comes under the term in the policy for '*Accidental damage to services'*. Accidental damage is defined in the policy as '*sudden, unexpected and physical damage which happens at a specified time; and was not deliberate; and was caused by something external and identifiable.'* I haven't seen any other terms that would be relevant for making a claim under the policy based on the circumstances.

Dr Y feels strongly that the claim circumstances and cause of damage meets the definition of accidental damage. I recognise Dr Y's strength in feeling on this matter. But having reviewed the evidence I don't think Accredited needs to do anything more than it's already offered, in settlement of this complaint. I can understand this is likely to come as a disappointment to Dr Y but I hope my findings go some way in explaining why I've reached this decision.

There's no dispute about the underground pipes being damaged. The outcome of Dr Y's claim hinges on whether the cause of damage meets the definition of accidental damage as defined in the policy. So, I've focused my decision on this point.

Tree root ingress and a large stone were identified as possible causes of damage. It's generally accepted that damage caused by tree root ingress would occur over a long period of time. I think Accredited's position in saying this doesn't meet the policy definition of accidental damage is reasonable.

The second possible cause of damage is the large stone. I've seen that D's report refers to the large stone but doesn't provide any further explanatory information to evidence how this entered the pipe. I've also seen that the invoice for the work carried out by the specialist instructed by Dr Y, also doesn't specify any matter that was removed in the process of completing repairs, such as tree root ingress or the large stone referred to by D in its report.

For me to be persuaded that the cause of damage was a large stone, as Dr Y maintains, I'd need to consider how this large stone caused the underground pipes to become damaged.

I'd also need to be persuaded that this damage happened suddenly as required by the policy terms.

Dr Y has provided a compelling testimony about the underground pipes and how they fit together, and function. It's not disputed that by their very design the likelihood of any matter (tree roots or a stone) entering is reasonable, because of the deliberate gaps in the design of the pipes that are not entirely sealed (the intended purpose being to allow water to flow freely through the gaps when needed).

As the underground pipes are below ground, it's accepted that the damage wouldn't be immediately visible. Nevertheless, we'd expect there to be some persuasive evidence to reasonably support the argument that it's more likely than not that a large stone caused damage to the underground pipes (as opposed to root ingress being the primary cause).

I note that the damaged underground pipes were located close to a retaining wall. And the pressure of the wall could over time have caused stone or stones to damage the underground pipes. But this would most likely have happened over time. And for me to be persuaded it is accidental damage, I'd need to be reasonably confident that the damage happened suddenly. Based on the evidence I've seen, I can't say that's what has happened here.

From what has been provided, I can't see any credible or probable explanation for the damage to the underground pipe being caused by a large stone. I say this because I haven't seen any evidence, or been provided with any explanation, to support the argument that a large stone caused damaged to the underground pipes.

I recognise it's a finely balanced decision, but on balance, I think it's more likely than not that root tree ingress caused damage to the underground pipes, and because of this damage, the large stone was able to enter the underground pipes. I think this is a much more plausible cause of damage based on the evidence. So Accredited's decision to decline Dr Y's claim is reasonable as there isn't enough evidence to say that the policy definition of '*Accidental damage'* has been met.

I appreciate Dr Y's disappointment with this outcome. This situation has clearly left Dr Y feeling stressed, upset, and financially out of pocket. But I can't ask Accredited to do anything differently, given the evidence that has been provided.

Claim handling

Accredited accepts its claims handling was poor in respect of the communication with Dr Y and responding to his requests for an update. Accredited offered Dr Y £300 in recognition of this poor service and the impact on Dr Y. Having considered what has happened, I'm persuaded this amount is fair, and in line with what we'd direct in the circumstances.

This amount reflects the disappointment caused to Dr Y in having to chase Accredited for updates and this not happening in good time. I also note that Dr Y had to point out inaccuracies in the reports completed by the experts instructed by Accredited and had to continually raise concerns with Accredited about these errors. I recognise this must've caused a level of trouble and upset Dr Y wasn't expecting. There were also avoidable delays on the claim, and Dr Y was left chasing for updates.

All things considered I'm satisfied £300 compensation is reasonable, and fairly reflects the distress and inconvenience caused to Dr Y because of the parts of his claim that were poorly handled. It also recognises that although Accredited could've done more to better manage

Dr Y’s claim, the outcome of the claim itself remains unchanged. It is for Dr Y to decide if he wants to accept this compensation.

My decision will disappoint Dr Y, but it ends our Service’s involvement in trying to informally resolve this dispute between him and Accredited.

My final decision

For the reasons provided Accredited Insurance (Europe) Ltd is directed to pay Dr Y £300 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I’m required to ask Dr Y to accept or reject my decision before 20 August 2025.

Neeta Karelia
Ombudsman