

The complaint

Mr and Mrs B complain Ageas Insurance Limited (“Ageas”) unfairly applied an excess when they made a claim on their landlord property insurance policy. All references to Ageas include its agents.

What happened

In October 2023 Mr and Mrs B took out a landlord property insurance policy covering their buildings and contents in their rental property. Around August 2024, Mr and Mrs B registered a claim with Ageas as they’d noticed damage to their property. They said the soil pipe in their bathroom was leaking wastewater and had damaged downstairs, including the ceiling and flooring.

Ageas said the claim came within the policy cover relating to leaking or freezing water or leaking oil. Under ‘*What’s covered*’ in the section relating to this insured peril in the policy booklet, the terms say amongst other things, Ageas will pay for any damage to the policyholder’s building caused by water leaking from their tank, pipes or drains.

Ageas accepted the claim and arranged for a restoration company to decontaminate the affected areas of Mr and Mrs B’s property. And it covered the cost of repairing the damage to the property.

Ageas explained to Mr and Mrs B as part of the claim conditions, it would deduct a £500 policy excess which applied to claims for leaking water. Mr and Mrs B didn’t agree Ageas was entitled to deduct that amount from the claim. They said the damage wasn’t caused by leaking water from a pipe but instead it was caused by leaking wastewater from a soil pipe which they said was different. And they provided an email from a plumber to support their position. As a result, they didn’t think the excess applied. But Ageas didn’t agree.

As Mr and Mrs B were unhappy, they asked our Service to look into things. Our Investigator didn’t uphold the complaint as she said the circumstances of the claim fell within the terms relating to leaking water and so the excess was applicable. She also highlighted that if it didn’t, Mr and Mrs B shouldn’t necessarily have been paid. As they didn’t agree with our Investigator’s opinion, the complaint was 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.

I’ve looked carefully at the submissions from both parties and based on everything I’ve seen, I don’t uphold this complaint for broadly the same reasons as our Investigator, I know Mr and Mrs B will be very disappointed. I’ll explain my reasons why.

Mr and Mrs B have indicated in their complaint letter that they think Ageas has applied a deduction from their claim because leaking water isn’t covered. But that’s not the case, the excess has been deducted because the claim has been accepted and covered.

It might be helpful if I explained how an excess works. This is the first part of a claim the policyholder must pay. Nearly all insurance policies have an excess. The amount will be agreed when the policy is taken out. I can see in Mr and Mrs B's case the excess relating to claims for leaking water was set out in the Insurance Product Information Document ("IPID") they sent to our Service.

Mr and Mrs B don't think their claim stems from 'leaking water' so they don't think the higher excess which relates to this has been fairly applied. They say the wastewater which leaked isn't the same as water. But I'm not persuaded by what they've said. Whilst the wastewater which leaked out of the soil pipe was contaminated and carrying waste away, I haven't seen enough to make me think it wasn't still classified as water.

I appreciate Mr and Mrs B have said Ageas have differentiated between leaking and freezing water which they think shows there are different types of water. But this is describing the different ways in which water can cause damage – by leaking or freezing – I don't think it's listing different types of water.

I've looked at all of the other insured perils listed under the policy terms. If this claim didn't come under leaking water as Mr and Mrs B argue, I'm not satisfied the claim would've been covered by the other policy terms. So if Mr and Mrs B accept their claim should've been paid, I don't think it's unreasonable to expect they'd need to pay the excess as outlined in the policy terms.

Overall, I'm satisfied Ageas has applied the policy excess fairly and in line with the policy terms.

My final decision

My final decision is that I don't uphold this complaint.

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

Nadya Neve
Ombudsman