

The complaint

Mr E has complained about Covea Insurance Plc's rejection of his claim under his home insurance policy for internal damage to his home. And about the service it provided when considering the claim.

What happened

Mr E has said he spotted some damp inside his home in October 2023. He arranged for it to be investigated and was told it was likely to be due to a leak. So, he contacted Covea about this in January 2024. Mr E said he would appoint a leak detection company to check for leaks. He did this and they found some of the underground pipes serving Mr E's property were leaking. Mr E let Covea know about this, and it appointed a company to investigate further. They established there were indeed leaks to some of the underground pipes serving Mr E's home and repaired them.

Mr E said he wanted to claim for the internal damage. Covea appointed a loss adjuster, who I'll refer to as D, to investigate this. He said the internal damage was due to rising damp. And Covea rejected Mr E's claim for it on the basis it had happened gradually. It said this was because Mr E's policy excludes gradual damage.

Mr E complained to Covea about several things. One was that D's representative was not properly informed before he carried out his inspection. The second was the way his claim was handled following D's report. And the other was Covea's decision to reject the claim for internal damage. Covea didn't uphold his complaint, so Mr E asked us to consider it.

One of our investigators did this. She didn't think it should be upheld. This was on the basis that she found D's report persuasive and because Mr E's policy doesn't cover gradual damage. She also mentioned a condition in the policy that requires Mr E to maintain his home to a reasonable standard.

Mr E didn't agree with the investigator's view. He said he raised a concern about D's representative turning up unprepared with Covea and he'd added this caused him anxiety. He also queried whether such an important term as needing to inform an insurer within a certain time of external pipe damage should have been pointed out to him. He also said he has suffered with a mental illness since 1994 and that the difficulties he was having with this at the time of the damage to his home should be a consideration.

I issued a provisional decision on 21 July 2025 in which I set out what I'd provisionally decided and why as follows:

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 provisionally decided to uphold it.

Having seen the photographs in the report provided by D's representative, it does seem there was extensive damp at Mr E's property. And from what he has said and his description of it, some of it does seem to be damp that has risen up from the ground. But the key

consideration for me is whether any of the damp was caused by the leaking underground pipes serving Mr E's property. I say this because, if it was, it would mean that this was caused by an insured event. This is because Mr E's policy covers escape of water from underground installations, including pipes. If this was the cause then Covea would only be entitled to reject Mr E's claim if it could demonstrate that it could rely on a policy exclusion to do this.

From its claims notes and final response letter it is clear that Covea thought it could rely on the policy exclusion for gradual damage as the damp in Mr E's home happened gradually. However, our approach with regards to an insurer relying on this exclusion is that it is only reasonable for it to do so if it is clear the policyholder should have been aware the damage caused by the insured event was happening over a period of time and did nothing about it. So, I think I need to consider three things. Firstly, whether all or some of the internal damage to Mr E's property was caused by an insured event. Secondly, if it was, whether it happened gradually. And thirdly, should Mr E have been aware it was happening and done something about it before he did.

It seems there are two main areas of damage caused by damp in Mr E's home according to the damp report he obtained. One on the ground floor – in the lounge and dining room. And one in a first floor bedroom. I can't see anything to suggest the damage in the bedroom could have been caused by an insured event. I say this, as the report provided by Mr E suggests this is due to damp penetration of water by normal weather as a result of the walls being in need of maintenance. So, I don't think Covea needs to cover the repairs needed in the bedroom as part of Mr E's claim.

However, it seems from the report provided by the drainage company and the report provided by Mr E that the ground floor issues could be as a result of rising damp due to the underground pipe that was leaking. And this is backed up by the fact Mr E has said it has started to dry out since the pipe was repaired.

So, I think it is most likely that some of the damage to the walls on the ground floor of Mr E's property has been caused by water escaping from the underground pipe and damp penetrating upwards into the walls because of this. This means this damage was caused by an insured event, because Mr E's policy covers damage caused by escape of water from underground installations. However, from the photographs provided it seems damage is extensive. And I need to bear in mind that if some of the damp in the bedroom is due to issues with the external walls, I can't rule out the possibility that this is the case with some of the damage in the dining room and lounge. But I think the cause of the damage by the damp rising due to the leaking pipe needs more investigation. And I'll return to this later.

Looking at the photographs provided by D and due to the nature of damage caused by damp, it is clear that the damage has happened gradually over a period of time. And this means that it could be appropriate for Covea to rely on the abovementioned exclusion for damage that has happened gradually. But I don't think it is. This is because, as far as I can see, Mr E thought the damp issue on the ground floor of his property was addressed in 2018. And he did not notice it was re-occurring until October 2023. At which point he had to save up to have it investigated. And he did this and contacted Covea to report the issue in January 2024. So, it seems he didn't just notice the damage was occurring for a long period of time and simply do nothing. And was instead proactively gathering the funds to have it investigated. Then, as soon as he was able to make this happen, he let Covea know and appointed someone to investigate the damp issues at his home.

This means that, in line with our normal approach to complaints about claims for damage caused by an insured event that happened gradually that have been declined, I do not consider it would be fair and reasonable to allow Covea to rely on the exclusion for gradual

damage to reject any part of Mr E's claim for the internal damage he has claimed for on the ground floor of his property.

But, as I said earlier, I am not convinced all the damage to the ground floor of Mr E's home is as a result of the water escaping from the underground pipe. So, I think the fair and reasonable outcome to his complaint about his claim for all this damage being turned down is for me to require Covea to appoint a fully qualified chartered surveyor to visit Mr E's property and fully assess the cause of the internal damage to the ground floor of his property. And for them to decide how much of it is due to damp rising due to the leak in the underground pipe. And for me to require Covea to reconsider Mr E's claim in light of this report and arrange and/or pay for any of the damage caused as a result of the leaking underground pipes to be repaired. In reconsidering the claim it follows from what I have already said that I do not consider Covea can rely on the exclusion for gradual damage to decline any part of it.

If the surveyor thinks that some of the damage to the ground floor is due to damp as a result of the leaking pipe and some is due to damp penetrating for other reasons, it may be that Covea will need to assess the cost of repairing the insured damage at standard commercial rates and pay an amount to Mr E to cover this, less any excess applicable. I do not consider there to be any compelling evidence that Mr E failed to maintain his home as required by his policy conditions. In any event, Covea has never directly raised this as a reason to decline his claim. And I do not consider it would be fair for it to do so now at this late stage.

I also consider that Covea's handling of Mr E's claim could have been better. I say this because it does seem from what he has said that it didn't fully brief D's representative. And it didn't consider properly what had caused the damage to the ground floor at Mr E's property or fully consider Mr E's attempts to identify the cause and report the matter as soon as he could. I think this caused Mr E unnecessary distress and inconvenience over a sustained period and it was clearly very upsetting for him. So, I think this warrants a compensation payment of £400.

My provisional decision

For the reasons set out above, I've provisionally decided to uphold Mr E's complaint about Covea Insurance Plc and require it to do the following:

- Appoint a fully qualified chartered surveyor to assess the cause of the damage on the ground floor of Mr E's property. And reconsider his claim for this in light of this report.*
- Arrange or pay for the repair of any damage caused by the damp as a result of the leaking underground pipes at Mr E's property.*
- Pay Mr E £400 in compensation for distress and inconvenience.*

I gave both parties until 4 August 2025 to provide further comments and evidence in response to my provisional decision.

Mr E has responded to say that he accepts my provisional decision and reiterated his point that the damage to the downstairs rooms at his property has stopped occurring and stayed the same since the underground pipes were repaired/replaced.

Covea has not provided any further comments or evidence.

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.

As Mr E has accepted my provisional decision and Covea has not provided any further comments or evidence in response to it, I see no reason to depart from the conclusions I set out in it.

Putting things right

For the reasons set out in my provisional decision of 21 July 2025 I have decided to uphold Mr E's complaint and require Covea to do the following:

- Appoint and pay for a fully qualified chartered surveyor to assess the cause of the damage on the ground floor of Mr E's property. And reconsider his claim for this in light of this report.
- Arrange or pay for the repair of any damage caused by the damp as a result of the leaking underground pipes at Mr E's property.
- Pay Mr E £400 in compensation for distress and inconvenience*.

* Covea must pay the compensation within 28 days of the date we tell it Mr E accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I uphold Mr E's complaint about Covea Insurance Plc and require it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 September 2025.

Robert Short
Ombudsman