

The complaint

Ms A is unhappy with the way U K Insurance Limited trading as Direct Line (“UKI”) handled her claim for a leaking drain.

Ms L brought the complaint on behalf of Ms A. For ease of reading, and because she’s the policy holder, I’ll refer only to Ms A throughout my decision. When I refer to anything Ms A or UKI said or did, it should be taken to include things said or done on their behalf.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

In December 2024, Ms A contacted UKI to see if she had cover under her home insurance policy after finding evidence of a leak in her garden from the underground drains. Ms A’s policy included cover for buildings and home emergency. UKI said that because there was no indication that the leak was caused by accidental damage, repairs wouldn’t be covered under her policy. UKI advised Ms A to approach a drainage company about repairs and, if it became apparent the damage was accidental, she should contact it again.

Ms A arranged and paid for the repairs and UKI sent its contractor to validate the cause of damage. UKI’s contractor said the evidence indicated the leak was due to damage caused by wear and tear and recommended that UKI maintain its decision to decline the claim. However, it also said that if UKI decided to accept the claim, its cost to complete the same repair would be £3,700 (figures rounded).

UKI confirmed that the policy did not provide cover for wear and tear and it declined the claim. Ms A was unhappy with this because she’d paid almost £11,000 for the repair. She said UKI should’ve advised her to use its contractor and she thought it ought to compensate her for the difference between what she’d paid and what its contractor would’ve charged.

UKI didn’t agree and it issued a final response to Ms A’s complaint maintaining its decision to decline the claim and rejecting her request for compensation. So Ms A brought her complaint to us.

Our investigator didn’t think UKI had done anything wrong. He said that UKI had advised Ms A in line with the cover available to her under the policy, and he didn’t think there was any requirement for UKI to advise Ms A about the repair company she should use. Our investigator didn’t uphold the complaint.

Unhappy with the investigator’s view, Ms A asked for the complaint to be passed to an ombudsman. She said while UKI might not have been obliged to recommend contractors, its omission to do so caused her to spend over £7,000 more than she needed to for the repairs. Ms A also said UKI prematurely rejected her claim without having carried out an assessment. She said if UKI had assessed the claim, it would’ve instructed its own contractors which would’ve limited her repair cost to its quoted charge. Finally, Ms A said by failing to provide advice about the contractors, and the overall handling of her claim, UKI had

fallen short of its duty to provide clear, fair and not misleading communication, and to avoid causing foreseeable harm.

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.

Having done so, I've decided not to uphold Ms A's complaint for broadly the same reasons as our investigator. While I realise this will be disappointing to Ms A, I haven't seen anything in the evidence to persuade me that UKI failed to handle the claim fairly and reasonably in the overall circumstances.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly, and that they mustn't turn down claims unreasonably. The regulator's principles say that firms must act in the best interests of their customers and treat them fairly. This is a summary of the rules to which Ms A referred in her submissions, and I've had these in mind when reaching my decision.

Ms A's home insurance policy sets out the detail of the contract she has with UKI. I've included here the parts of the contract upon which UKI relied when declining the claim.

This policy does not cover

Just like most insurers we do not cover:

- *Wear and tear.*
- *Any damage caused gradually*

Service pipes and cables

We will pay for accidental damage to underground drains, pipes, cables, and tanks which you are legally responsible for, and which provide services to or from your home

Accidental damage - Accidental damage is sudden and unintentional physical damage that happens unexpectedly.

Based on the policy details, cover would've been available to Ms A only if the drain was damaged accidentally. The cause of damage, according to both Ms A's and UKI's contractors, was wear and tear. Therefore the policy did not provide cover and UKI declined the claim in line with the policy terms and conditions.

Ms A said UKI's decision was premature, so I've listened to the call recording of her first notification to UKI. UKI asked questions aimed at identifying any possible accidental damage. These included questions about the age of the house and any recent building work. Ms A said the most recent building work was around ten years earlier. UKI explained that in the absence of an event that might have caused accidental damage to the underground drains, it was unlikely that cover would be available under the policy. I find that to be a reasonable conclusion and Ms A did not disagree.

It appears that there's no dispute about the cause of the damage which resulted in the leak. UKI told Ms A that the claim would be kept open for three months and she should contact it again if evidence of accidental damage was found so that it could reassess the claim. I think that was fair, in line with the policy, and appropriately addressed the possibility of UKI's initial assessment being incorrect.

Ms A asked what type of contractor she would need to do the repair, and UKI said it would need to be a drain specialist. Ms A suggested the name of a drain company and UKI agreed, while also explaining that the water company may have a scheme available or be able to suggest local companies. Ms A did not ask UKI to recommend a contractor, and I don't think it was unreasonable that it didn't recommend its own contractors. That's because it could have been perceived as bias, but also because other cheaper options might have been available to Ms A in the form of schemes available through the water company. So, based on this evidence, I don't find that UKI treated Ms A unfairly, or that it failed to act in her best interests by not recommending its own drain contractor.

Ms A said UKI subsequently told her it should've advised her to approach its contractor when she first reported the drain leak. I've found that UKI didn't do anything wrong by not recommending its contractor. And I find that the subsequent information was, more likely than not, incorrect. That's for the same reasons as I've stated above – the perception of bias and the possibility of Ms A obtaining assistance through available schemes.

The final point I'll address is the cost for which UKI could have done the work. Its contractor attended to validate the cause of damage. It could find no evidence of accidental damage and recommended that UKI maintain its decision to decline the claim under the wear and tear exclusion. The quote it gave for a similar repair was based on what it would have charged UKI if it had been appointed to complete the work. This amount is not necessarily what it would've charged Ms A as a private customer. Nevertheless, I can see that finding out a cheaper option might've been available would've been upsetting for Ms A. However, it was Ms A's responsibility to obtain a fair price for the repair, and I haven't seen anything to suggest UKI caused foreseeable harm. If Ms A now feels that the repair cost was excessive, that's a matter she would need to take up with her own contractor.

Overall, I'm satisfied that UKI declined Ms A's claim in line with the terms and conditions of the policy, and that it was fair and reasonable in the circumstances. I have not identified any evidence to indicate that UKI treated Ms A unfairly, or failed to provide clear and not misleading information.

My final decision

For the reasons I've given here, my final decision is that I don't uphold Ms A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 17 March 2026.

Debra Vaughan
Ombudsman