

## **The complaint**

Mr and Mrs H complain about how Accredited Insurance (Europe) Ltd dealt with a claim they made under their home emergency insurance.

## **What happened**

Mr and Mrs H hold a household insurance policy, which is underwritten by Accredited Insurance (Europe) Ltd. I'll refer to this insurer as AIEL within this decision. Their policy with AIEL covers their buildings and contents and includes cover for home emergency claims.

On 23 February 2025, Mr and Mrs H contacted AIEL by telephone to report an issue with water ingress into their property. They explained that water was permeating their property and causing damage. They thought water was running down their roof and along the outside of their soil stack to the ground. They told AIEL they were unable to ascend their roof to inspect it and determine the specific cause of the water ingress. Mr and Mrs H were asked whether this issue had arisen because of recent adverse weather. But they stated it hadn't. They were informed that, because the issue wasn't caused by adverse weather, their claim was declined as there was no cover under their home emergency policy.

Mr and Mrs H complained to AIEL that it hadn't sent a contractor to their property to assess and investigate the cause of the water ingress. And they said that, in declining their claim without investigating the cause of the leak, AIEL had acted unfairly and unreasonably.

AIEL investigated Mr and Mrs H's concerns and issued its final response to their complaint on 5 April 2025. It didn't uphold their complaint stating that it had acted fairly in declining their claim and not instructing a contractor to attend their property in response to their report of a home emergency. AIEL explained that issues related to outside pipes was excluded from the remit of Mr and Mrs H's home emergency policy as outlined in their policy booklet.

Being dissatisfied with how AIEL had resolved their complaint, Mr and Mrs H referred it to our service. Our investigator assessed the evidence provided and recommend upholding this complaint. They were thought it was unclear what was causing water ingress into Mr and Mrs H's property and that the cause should have been investigated by AIEL. They considered that, had an investigation occurred, it would have enabled AIEL to determine whether the soil stack was the cause of the water ingress or whether this was emanating from another source. And this would have allowed a fair assessment of whether Mr and Mrs H's claim was covered under their home emergency policy. To resolve Mr and Mrs H's complaint, our investigator recommended that AIEL reconsider the claim. And they asked it to compensate Mr and Mrs H £100 in recognition of its premature repudiation of their claim.

AIEL accepted our investigator's view of this complaint, but Mr and Mrs H disagreed with the compensation recommended and requested an ombudsman's review. I've therefore been asked to decide the fairest way of resolving this complaint.

## **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'm sorry to hear about the difficulties Mr and Mrs H experienced here. I know they feel strongly about this matter and I appreciate the reasons they brought this complaint to our service. But, while I sympathise with them, the issue that I must determine is whether AIEL made a mistake, or treated them unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I've read and considered all the information provided by Mr and Mrs H and AIEL, and I've listened to the call recording provided to our service dated 23 February 2025, but I'll concentrate my decision on what I think is relevant to decide the complaint, which is reflective of our approach in assessing complaints. This means that I may not comment on every written representation made.

Insurers must deal with claims promptly, fairly and must not unreasonably decline a claim – as set out in the Insurance Conduct of Business Sourcebook (ICOBS). I've considered this and the Consumer Duty together with other relevant rules and guidance when determining this complaint.

As I mentioned in the background to this complaint, Mr and Mrs H hold home emergency insurance which is underwritten by AIEL. Home emergency is defined by their policy as “*a sudden and unexpected incident*” which “*causes damage to your home or its contents*”. The policy goes on to explain that, in the event of a home emergency claim, AIEL “*will arrange for a contractor to carry out emergency work*” by way of a temporary repair unless a permanent repair is no more expensive.

Like our investigator I'm persuaded that Mr and Mrs H's home emergency policy enables a contractor to attend a policyholder's property to determine the cause of damage prior to confirmation as to whether the issue reported is covered under the policy. It follows that AIEL could have instructed and dispatched a contractor to Mr and Mrs H's home to inspect the cause of the water ingress here.

Mr and Mrs H's policy divides home emergencies into several categories, which include boiler, plumbing, toilets, draining, security, pest infestation, roofing, electrics and gas. Each section outlines the policy exclusions that apply when a home emergency claim is made.

Here, I'm satisfied there was confusion over the correct categorisation of the claim and how it should have been recorded. This is apparent during the telephone call that Mr and Mrs H made to AIEL on 23 February 2025 when they reported their claim. They referred to water ingress as a result of water running down from their roof along the soil stack to the ground. And they explained that they were unable to ascend the roof in order to determine the specific cause. Having listened attentively to the call recording I'm not persuaded Mr and Mrs H gave the impression to AIEL that they understood why water was entering their home.

During Mr and Mrs H's discussion with AIEL on 23 February 2025, the call handler informed them that they'd record a plumbing claim. But later during this call, they reconsidered whether that was appropriate and amended the claim as falling under the roofing peril. This demonstrates there was confusion and doubt in the mind of AIEL's call handler not only about how the claim should be recorded but also about the potential cause of the water ingress into Mr and Mrs H's property. They then declined Mr and Mrs H's claim based on the

information that had been provided by Mr and Mrs H who were uncertain of the cause of the water ingress.

I'm persuaded that, in circumstances where it was unclear to AIEL what peril it was considering, there's an argument that it ought to have instructed a contractor under the remit of the home emergency policy in order to attend the property to investigate the likely cause of the water ingress. This would have been reasonable and good practice. But this didn't happen and no inspection occurred. I'm satisfied this was a missed opportunity by AIEL, which prevented a proper assessment of the claim reported by Mr and Mrs H.

I understand from AIEL's final response to Mr and Mrs H's complaint that it declined their claim based on damage to the soil stack being excluded under the policy terms. Under the general principles of insurance law, where an insurer seeks to rely on a policy exclusion to repudiate a claim, the burden is on the insurer to show the exclusion applies. However, as I've already explained, there was no investigation undertaken by AIEL to confirm that the soil stack was the cause of water ingress. So, I'm not satisfied that AIEL has demonstrated that the exclusion clause applies here or that it has shown that it fairly applied that clause to decline this claim.

### **Putting things right**

For the reasons outlined I'm not persuaded AIEL acted fairly and reasonably in declining Mr and Mrs H's home emergency claim. I agree with that the recommendation our investigator suggested to resolve this claim is equitable and appropriate here. AIEL should reconsider Mr and Mrs H's claim by undertaking an investigation into the root cause of the leak to establish whether the claim is covered under the terms and conditions of their home emergency insurance or buildings cover. It should then provide reasons to Mr and Mrs H explaining why it has either accepted or repudiated their claim.

Our investigator also recommended that AIEL compensate Mr and Mrs H in the sum of £100 for prematurely declining their claim in the absence of an inspection of their property. While AIEL agreed with our investigator's recommendation it's clear that Mr and Mrs H want a higher award here. I've therefore considered whether the compensation recommended is fair and reasonable.

I can see that Mr and Mrs H have referred to wanting AIEL to be "*taught a lesson*". However, it may help if I explain that we don't punish businesses by awarding damages or compensation as this isn't our role. When deciding what potential compensation to award our service must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

Mr and Mrs H haven't provided evidence to show that they suffered financial loss as a result of what happened. So, I can't make an award for financial loss here.

Turning now to awards for non-financial loss there isn't a set formula that we use to calculate awards for errors. It's my role to consider what impact AIEL's actions had on Mr and Mrs H and to decide, within guidelines set by our service, what an appropriate amount of compensation might be.

In thinking about the appropriate level of compensation here I've taken AIEL's shortcomings into account. I recognise that having their claim declined in the absence of an inspection would have been frustrating and have undermined their confidence in AIEL. I'm satisfied that AIEL caused distress and inconvenience to Mr and Mrs H when it prematurely declined their claim.

Our investigator explained that an award of £100 might be fair where there's been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. And I agree. I'm satisfied that Mr and Mrs H's case falls into that second category.

Overall, I'm persuaded that £100 is a reasonable amount that fairly recognises the impact that AIEL's error had on Mr and Mrs H. It's consistent with our approach in similar scenarios and it's what I'd have directed AIEL pay if no recommendation had been made. I won't be requiring AIEL to increase the amount recommended by our investigator. AIEL should now make that payment to Mr and Mrs H to resolve this complaint. This now brings to an end what we, in trying to resolve Mr and Mrs H's dispute with AIEL, can do for them. I'm sorry we can't help Mr and Mrs H further on this.

### **My final decision**

My final decision is that I uphold this complaint. Accredited Insurance (Europe) Ltd should reconsider Mr and Mrs H's claim by undertaking an investigation into the root cause of the leak to establish whether the claim is covered under the terms and conditions of their home emergency insurance or their buildings cover. It should also pay Mr and Mrs H £100 in compensation to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 6 January 2026.

Julie Mitchell  
**Ombudsman**