

The complaint

Mr and Mrs K complain that Tradex Insurance Company PLC declined part of their claim on their buildings insurance policy.

What happened

Mr and Mrs K identified a leak in their property in June 2024. A claim was raised with Tradex. Whilst Tradex accepted the claim, they limited the amount of work they were willing to cover. They didn't believe the leak was the cause of some of the damage. They said a lack of ventilation and/or a faulty damp proof course (DPC) has led to damp in the property. Mr and Mrs K were unhappy and complained. Whilst Tradex accepted there had been service issues they didn't think they'd unfairly declined part of the claim. Still unhappy, Mr and Mrs K brought the complaint to this service.

Our investigator upheld the complaint. They didn't think Tradex had fairly declined the claim. They thought Tradex should consider the claim further and increased the compensation from £400 to £800. Tradex appealed. They maintained that they didn't think they'd unfairly declined the claim. As no agreement could be reached, the complaint has been passed to me to make a final 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Tradex acted in line with these requirements when it declined part of Mr and Mrs K's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Tradex, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised their complaint in far less detail than Mr and Mrs K have, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

Tradex has said they found nitrates in the wall moisture which indicated the water wasn't from a tap and had come from an organic source. Initially Tradex believed this was caused by insufficient ventilation in the property. Most likely due to it not being added when extensions were added to the property. More recently, Tradex have said they think there is likely a defective DPC.

Mr and Mrs K also commissioned their own report into the damp. Whilst it's not the most detailed report, the findings were as follows:

"We consider from the evidence and the presents (sic) of efflorescent salts the cause to the wall/s and floor is from due (sic) to a water leak."

Tradex has stated that they believe there is a lack of ventilation in the property. However, Mr and Mrs K have provided us with the sign-off reports from building control for the extensions. Whilst I accept inadequate ventilation could have been missed, I've not been provided anything from Tradex to suggest this is most likely the case. No evidence has been provided to support the property has inadequate ventilation other than linking it to nitrates being found.

The leak was under the properties flooring and could have mixed with organic material before being absorbed into the property. The extent of the issue was confirmed in the trace and access report:

"I think the entire bottom floor needs re-doing as the joists I could see were rotten loads of tiles are cracked all over the place and the wooden floors are warping, every wall is soaking wet which was confirmed with a moisture meter max reading on every wall."

No issues were mentioned about the DPC in the trace and access report. Tradex haven't provided any evidence to suggest there is most likely an issue with the DPC other than linking it to the nitrates being found.

Mr and Mrs K have provided photos from before the leak which don't show any evidence of damp being present. Likewise, Mr and Mrs K have confirmed since the drying out has occurred, that there is no further evidence of damp. In the loss adjusters report, they said the following:

"Please note, the moisture levels to the lower walls, particularly where salts efflorescence is present, may remain elevated after this period of drying, however further drying, without rectifying the inherent dampness will not improve the moisture levels within the structure."

Whilst the drying has been completed, no evidence has been provided by Tradex to confirm there is still an inherent dampness in the walls.

Based on everything I've seen, and for the reasons I've set out above, I uphold this complaint and don't think Tradex have acted fairly or reasonably in partially declining it. So, Tradex should consider the claim further in line with the remaining terms and conditions of the policy. Tradex should also cover the cost of the report Mr and Mrs K paid for and make a further payment for disturbance allowances.

I appreciate that it must have been frustrating and upsetting for Mr and Mrs K to have part of their claim declined. This has left them living without kitchen facilities and repairs not completed. Although this is a distilled version of events, I've considered everything in the round and I think Mr and Mrs K have been caused substantial distress, upset and worry which has caused serious disruption to their daily life over sustained period of many months. In line with our website guidelines, I think a total of £800 compensation is fair and reasonable. This is the total compensation and not in addition to the compensation already awarded by Tradex.

I'm sorry to hear about Mr K's health. I appreciate the issues have been going on for a long period of time. I'm only able to consider compensation up to the point the final response letter was issued by Tradex. I'm not including the time the complaint has been with this

service in the compensation consideration. Mr and Mrs K have also raised about increased energy costs due to the leak. This isn't something that appears to have been raised previously with Tradex and so I can't consider it in this complaint. I appreciate that Mr and Mrs K will want the claim to progress as quickly as possible. Should Mr and Mrs K be unhappy with the claim progression or outcome in the future, they'd need to raise this as a new complaint.

Putting things right

To put things right, Tradex should do the following:

- Consider the claim further in line with the policy terms and conditions.
- Pay Mr and Mrs K £90 for the independent report they commissioned.
- Pay Mr and Mrs K 8% simple interest* on £90 from the 14 October 2024 to the date it is paid.
- Pay Mr and Mrs K a total of £800 compensation
- Review and pay Mr and Mrs K disturbance allowance from the date last covered to present**

* If Tradex considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs K how much it has taken off. It should also give Mr and Mrs K a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

** Disturbance allowance will need to continue whilst the claim is being assessed and if necessary, during repairs.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Tradex Insurance Company PLC to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 16 December 2025.

Anthony Mullins
Ombudsman