

The complaint

Mr W has complained about the decision of Advantage Insurance Company Limited ('Advantage') to decline an escape of water claim under his home insurance policy. For the avoidance of doubt, the term 'Advantage' includes reference to its agents and contractors for the purposes of this decision.

What happened

Mr W requested advice from his plumber in late November 2024, when discussing underfloor heating at his home, as there was visible damp on a wall below the bathroom. The ceiling then showed signs of damage while the family was away over Christmas, so Mr W reported the matter to Advantage on 6 January 2025 and then reported the total collapse of the ceiling a week later. A leak detection firm was instructed, as well as a surveying agent. Advantage declined Mr W's claim as it stated that the damage was caused by sealant failure in the shower and was therefore excluded under the policy.

Mr W complained to Advantage as he considered that the leak originated from behind the shower and was hidden; however, Advantage maintained its stance and Mr W then referred his complaint to this service. The service's investigator didn't uphold Mr W's complaint and was persuaded by the evidence produced by Advantage that the damage was due to deteriorating seals and comprised of wear and tear. The investigator was satisfied that Advantage had done enough to fulfil the onus on it to show that an exclusion applied.

Mr W was unhappy about the outcome of his complaint, and the matter was therefore referred to me to make a final determination in my role as Ombudsman. I issued a provisional decision in early November 2025 as follows:

'The key issue for me to determine in this matter is whether Advantage applied the terms and conditions of the relevant policy and declined the claim in a fair and reasonable manner. On a provisional basis, I don't consider that Advantage acted fairly and reasonably, and I'll explain why. In reaching this provisional decision, I've considered the submissions of the parties as summarised below.'

I turn firstly to Mr W's submissions. In summary, he said that the leak which caused the damage had originated from behind the shower and not from failed sealant, and that it was hidden until the ceiling had collapsed. He said that there had been no clear signs of a leak in the bathroom itself, and there had been no reason to connect ceiling 'bubbling' to the shower until the sudden collapse of the ceiling. In hindsight, Mr W said that he'd probably been a bit naive, as the ceiling damage got worse between Advantage's first and second visit.

Mr W thought that when he reported the matter, Advantage had failed to take any safety measures to prevent further collapse. He said that; 'This negligence... could have seriously injured your young children had they been present'. He said that as the collapse happened while the family was away and so there had been no running water from daily use leaking through any failed sealant, so this strongly suggested that the primary issue was from a slow leak. He said that timber behind the tiles was badly damaged and that there were rusty pipes and brackets 'which only happens from long-term water exposure inside the wall cavity, not

surface water from a seal issue' and said this also pointed to a hidden leak. Mr W noted that Advantage's inspector had recommended capping off the shower.

Mr W also referred to living disruption, safety concerns and health concerns with mold growing on the ceiling. He wanted Advantage to cover the full cost of repairs including ceiling restoration, mold treatment, and making the shower usable again. Mr W also provided a statement from his plumber who visited the property on 29 November 2024 and again in late December 2024, both before any visible water damage or the ceiling collapse. During the first visit, signs of damp below the bathroom had been discussed and the plumber had inspected the shower including the tray and sealant, and said everything appeared intact, with no visible signs of a leak, damage or 'deterioration, gaps or mold'. He said that there were no clear signs of active leaks or water damage, but he did note that 'it was possible water may have been tracking from the shower valve', and he also mentioned possible moisture entering from outside. He told Mr W that he was shocked to hear about sudden and unexpected ceiling collapse. Mr W said there was nothing that raised the alarm.

I now turn to the submissions by Advantage in response to Mr W's complaint. In summary, Advantage stated that its surveyor found the main reason for the ceiling damage to be due to sealant failure. Also, during flood testing, water could clearly be seen seeping through the shower frame. It considered that the photographic evidence showed that the section of wall beneath the shower had been showing signs of damage for a considerable period, with bubbling of the plaster, indicating 'consistent cycles of the wall becoming wet'. It said that moisture readings in this area were extremely high, again indicating long-term saturation. Advantage relied on the terms and conditions of the policy in concluding that Mr W should have been aware of the failure or lack of sealant and so cover wasn't in place. It said damage caused by wear and tear was excluded and so it declined the claim.

Advantage supplied copies of its agent's photographic evidence and report. His findings referred to failed shower seals which had allowed water into the frame, so they'd rotted and deteriorated over time. It was also noted that 'the shower valve had signs of rust'. It was confirmed that, in either scenario, the damage would be maintenance-related and damage to the frame caused gradually and therefore not a one-off event. It said that one photograph showed sealant coming away.

The trace and access/leak detection specialist also carried out thorough checks and found that water was making its way through the shower seals and heading into the shower framing. At the time of his report in early January 2025, the ceiling had dropped slightly. The report noted that tiles had been removed around the shower, and it said that 'it is saturated'. Following various testing, the specialist carried out leak tests and noted that 'water could clearly be seen to seep through the shower frame. There has been an ongoing leak through the shower seals for quite a while causing the wooden support frame to rot'. The report also made it clear that Mr W wouldn't have been aware of this until the leak 'manifested in the ceiling below which has gradually been compromised over a long period of time'.

As for the agent's report, it explained that with regard to missing information from the report about the cause of the issue, it said that 'Unfortunately our supplier's system doesn't always fill in this information on the report'. It provided the record of voice dictation taken onsite. This showed that the agent had viewed a valve issue as well as referencing failed seals. I now turn to my reasons for provisionally upholding this complaint. The starting point for complaints of this nature will be the terms and conditions of the relevant policy as these form the basis of the insurance contract between the customer and the insurer. In this case, the Advantage policy covers damage caused by an escape of water including from the following 'a fixed water [or] drainage...installation.'. It then explains what isn't covered by the policy and this includes damage; 'Caused by the failure or lack of grouting or sealant known to you or that you ought to have been aware of.' The policy also contains some standard policy

exclusions as follows; 'claims arising just from wear and tear or gradual causes', and 'loss or damage caused by wear and tear or any other gradual causes including costs that arise from the normal use, maintenance and upkeep of your buildings'.

Turning firstly to the available expert evidence in this matter, I note that the leak detection specialist noted that; 'flood testing the shower seals, water could clearly be seen to seep through the shower frame' and that over time, this had caused the wooden support frame to rot. He recognised however that; 'the insured would not have been aware of this until the leak manifested in the ceiling below, which has gradually been compromised over a long period of time'. Advantage's agent's report stated; 'Bathroom: When the surveyor inspected the shower he observed that the damage was caused by . Kitchen: When the surveyor inspected the ceiling he observed that the damage was caused by.' It's disappointing that a professional report omits this key opinion as to the cause of damage. Advantage has explained that this was due to the system not automatically filling in this information.

Having heard the on-site voice recording, the agent referred to the escape of water coming from the shower, with water dripping from the shower valve, there being brown rust stains on the shower valve. This was as well as noting deteriorating silicone seal to the shower tray and dripping through over a prolonged period of time.

Mr W has since obtained the observations of his plumber who checked the shower on 29 November 2024, and therefore over a month prior to the ceiling collapse. I note that this evidence doesn't concur with that of the leak detection specialist with regard to the shower sealant and he said that it 'appeared intact and in good condition, with no visible signs of deterioration, gaps, or mould'. What is consistent however with the evidence of Advantage's agent was that the agent noted the possibility of water 'tracking from the shower valve', although nothing was leaking at the time.

I've also looked at the available photographic evidence. I note that the leak detection expert circled an area where he said, 'sealant has come away here'. The photograph isn't particularly clear, but, on the face of it, any signs of deterioration, gaps and mold aren't obvious, and the interior of the shower seems to be in reasonable condition. I've noted the photographs with the agent's report of the inspection of 27 January 2025, and although the voice recording referred to rust on the shower valve, this isn't immediately apparent from the photographs. I've also noted photographs supplied by Mr W which clearly show the valve bracket behind the tiles to be heavily corroded and the wood below it to be rotten.

On a provisional basis, whilst I don't doubt the Advantage evidence that by late January 2025 some shower sealant had come away, I don't consider it likely that this was the predominant cause of hidden damage over time. I consider it far more likely that the predominant cause of the leak was to do with the shower valve and the fact that it was heavily corroded behind the tiles but hidden from view. This potential cause had been identified by both Advantage's agent and Mr W's plumber. The true extent of the damage however became clear once the shower was dismantled (which didn't happen until after the leak detection expert had carried out an investigation). Whilst, by the time of Advantage's investigations, there was likely to be some water was seeping through an incomplete seal, the extent of the timber damage revealed once the tiles had been removed were indicative of a much more significant and long-term leak occurring behind the tiles.

In the circumstances, I conclude on a provisional basis that the damage at Mr W's home had been caused by an insured peril, being an escape of water from a fixed water installation. As for the exclusion clauses quoted by Advantage, again on a provisional basis, I don't consider that the predominant cause of the damage was the failure of lack of sealant. Whilst failed sealant may have been an additional peripheral factor, I'm nevertheless provisionally satisfied that from the photographic evidence, any gap in the sealant wasn't obvious and so

not 'known to' Mr W. Nor was it something that he 'ought to have been aware of.' As for the general exclusion in relation to wear and tear, this service wouldn't expect a claim to be excluded where the predominant issue was hidden from view as I provisionally conclude it to be in this case.

I appreciate that Advantage's agent identified rust on the valve at the end of January 2025, however this isn't obvious from the photographic evidence, and is different from the clear and obvious corrosion disclosed behind the tiles when the shower was dismantled. I don't consider it fair and reasonable to have expected Mr W to have been aware of this to have been a significant wear and tear issue in the circumstances.

Whilst I consider it to be a finely balanced issue as to whether, once his plumber mentioned a possible issue with the shower valve, that Mr W should have contacted Advantage a month sooner than he did. I consider on balance however, that Mr W acted in a responsible fashion by asking his plumber to check the shower at that time. As there was no immediately obvious leak from the shower at that time, I consider that it had been understandable that the damp wall was thought to be due to ingress of water from the exterior of the property. I also consider that Mr W acted in a responsible manner in reporting the matter to Advantage when damage to the ceiling appeared in early January 2025.

In summary, my provisional conclusion is that the leak at Mr W's home should fairly and reasonably have been dealt with by Advantage as an insured peril, and that none of the exclusions referenced by Advantage could reasonably be stated to have applied. It was only when dismantling of the shower and tiles took place that the extent and nature of the leak became clear, and this should have enabled Advantage to view its reports in a fresh light. Finally, I consider that Mr W acted in a responsible manner in trying to proactively address the problems which had started to emerge as a result of a long-standing leak. He hadn't simply ignored or failed to address maintenance issues at his home, and I agree that his approach had been cautious yet reasonable and proactive. On a provisional basis, I consider that Advantage must now proceed to urgently process this claim.'

When sending out the provisional decision, I provided both parties with the opportunity to provide further submissions or further evidence in response to the 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.

Mr W accepted the findings of the provisional decision. Advantage didn't agree with the provisional decision and provided its further comprehensive submissions, which in summary are as follows.

Advantage stated that the comments of Mr W's plumber related to inspections in November and December 2024, and yet his statement wasn't provided until July 2025, approximately 7-8 months later. Advantage said that the statement was therefore based on recollection only and made months after the event. It considered that there wasn't any evidence to support his statement. In particular, it noted that no photographic evidence had been provided to show that the sealant was in good condition at the time of inspection. It also stated that no details were provided to confirm the method of inspection beyond a visual check, with no evidence of any testing to verify sealant integrity. In contrast, it said that its own expert's report included both a documented testing method and photographic evidence. It said that this was also found to be the case by a secondary visit by a qualified surveyor *'again with supporting evidence to conclude their findings'*.

Advantage considered that the provisional decision was based on the premise that the customer's own plumber didn't pick up any issues with the seal in order to conclude that the sealant wasn't the predominant cause of the leak. Advantage reiterated that Mr W hadn't carried out testing and that there was no evidence to support his stance. In conclusion, Advantage submitted that the findings of both of its experts that the sealant was letting water through the sealant appeared to be a more reliable source of information, being evidence-based as it was photographic evidence, with testing to support the findings.

As to corrosion of the shower valve behind the tiles in the context of the policy terms, Advantage stated that damage caused by a gradual cause was excluded. It highlighted the fact that rust or corrosion, wear and tear and lack of maintenance were all excluded under the policy. Advantage stated that the level of corrosion, *'confirmed by brown rust staining and described as heavily corroded, indicates the leak had been ongoing for an extended period'*. Advantage stated that this aligned with the gradual cause exclusion, meaning that the damage wasn't covered.

I've carefully considered the further submissions made by Advantage. Regarding the condition of the sealant, the provisional decision didn't doubt that some shower sealant had come away and that *'there was likely to be some water seeping through an incomplete seal'*. Likewise, it didn't doubt that Advantage's experts had evidenced that water was finding its way through the seals by the date of their inspection. The crux of the issue however is what was, on the balance of probabilities, the predominant cause of damage. As per the provisional decision, the true extent of the damage didn't become clear until the shower was dismantled, and the photographic evidence at this point is also important.

The provisional decision, and indeed this final decision, have been reached having considered the totality of the evidence. It's appreciated that Mr W's plumber's statement was made many months after the event. However, Advantage's own expert identified an issue with the valve. In addition, once the shower had been dismantled, the photographic evidence of the actual state of the pipework showed a clearer picture of the likely cause of damage. The rotten timber above sealant level indicated that the main issue was likely to be to do with the pipework; *'the extent of the timber damage, revealed once the tiles had been removed, were indicative of a much more significant and long-term leak occurring behind the tiles'*.

As to the corrosion of the valve, as stated in the provisional decision, this wasn't immediately apparent until the pipework had been revealed. Advantage should have been prepared to review the issue in the light of what was revealed. Whilst I agree that corrosion would ordinarily be excluded under the terms and conditions of the policy, the service doesn't expect the customer to deal with corrosion or wear or tear which isn't visible or couldn't have reasonably been known about. The fact that Advantage's own experts hadn't identified pipework behind the tiles to be the likely predominant cause of the issue, means that the customer would likewise not be expected to be aware of it. It was a hidden problem. Again, the provisional decision made this clear; *'this service wouldn't expect a claim to be excluded where the predominant issue was hidden from view as I provisionally conclude it to be in this case.'*

I'm satisfied in all the circumstances that the provisional decision provides a fair and reasonable conclusion to the matter, and I uphold Mr W's complaint.

My final decision

For the reasons given above, I uphold Mr W's complaint and require Advantage Insurance Company Limited to process Mr W's claim following the escape of water at his property, discounting the exclusion clauses referenced in this decision, and in accordance with the remaining provisions of the relevant policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 December 2025.

Claire Jones
Ombudsman