

## The complaint

Mr H has complained that U K Insurance Limited (UKI) unfairly rejected a claim under his property owners insurance policy.

## What happened

Mr H has a rental property. His tenant told him that their water bill was unusually high. Mr H instructed a plumber who found no obvious leak in the property. The plumber recommended leak detection as the next step.

Mr H instructed a professional leak detection company. They didn't find a leak either.

He made a claim to UKI for his trace and access costs. It declined the claim. UKI said trace and access cover didn't apply as there had been no damage caused by a leak.

Mr H referred his complaint to this service. Our Investigator didn't uphold it. She didn't think UKI had treated him unfairly.

Mr H thought the loss of water amounted to damage and that a leak shouldn't need to be visible or ongoing for cover to apply. He thought he'd acted reasonably to prevent damage to his property.

As Mr H disagreed with our Investigator's view, the matter has been referred to me.

## 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 this is an informal service, I'm not going to respond to every point Mr H has made. Instead I've focused on those I consider to be key to the complaint. But I'd like to reassure both parties that I have considered everything they've submitted. And having done so, I'm not upholding this complaint. I'll explain why.

In general, trace and access provides cover for finding the source of a leak and putting right any damaged caused in doing so. As in this case, the policy terms often say that the leak must be causing damage to the property.

Mr H's policy covers him for (amongst other things) damage caused by an escape of water and leakage of beverages. These are Contingencies 10 and 11 in the policy.

The policy goes on to say:

### *"9. Trace and Access*

*In the event of Damage by Contingencies 10 and 11 the insurance by this Section extends to include costs necessarily and reasonably incurred in locating the source of the Damage to effect repairs and the costs of making good up to a limit of £25,000 in respect of any one*

*claim.*"

The term "*Damage*" is defined on the policy as:

*"Accidental loss, destruction or damage"*.

So the trace and access cover only comes into force if there is "*Damage*" caused by Contingencies 10 and 11. The only contingency that might reasonably be expected to apply here is an escape of water.

It's not in dispute that there was no physical damage caused by an escape of water. But even more relevant in my opinion is the fact that no leak or escape of water was found at all. Mr H's leak detection company reported that there were "*no active leaks within the hidden pipework*". There were also no obvious visible leaks anywhere in the property although the kitchen and bathroom taps were seen to be dripping.

Without an escape of water in the first place, there was no entitlement to trace and access cover regardless of the interpretation of "*Damage*". I don't think it's sufficient for there to be a suspected leak – there has to be an actual leak.

I agree that Mr H's action was reasonable – no-one wants to risk a hidden leak causing damage. But acting reasonably is not enough in itself to guarantee cover. Given there was no evidence of a leak, I think UKI acted fairly and in line with the policy terms in declining the claim.

I note Mr H's comments about the value of the trace and access cover. It's up to him to decide whether it's worth it going forward. But I would say that the terms relied upon by UKI aren't unusual or inherently unfair in my opinion. I also think they were clearly set out.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 March 2026.

Elizabeth Grant  
**Ombudsman**