

complaint

Mr and Mrs M say QIC Europe Ltd (QIC) has unreasonably declined their claim on their home insurance for water damage. They're also unhappy with how QIC has communicated with them.

background

Mr and Mrs M say they noticed damp on their dining room wall in May 2018. They say they monitored it for a couple of weeks (in case it cleared up) before notifying their insurer, QIC. They say the damp was caused by a leak in their neighbour's bathroom.

QIC initially accepted Mr and Mrs M's claim but then, a few months later, declined it. It says Mr and Mrs M haven't proved the damage they're claiming for was caused by their neighbour's bathroom leak.

Unhappy with this, and with the way QIC had communicated with them during the claims process, Mr and Mrs M complained to us. The investigator who looked at Mr and Mrs M's complaint didn't uphold it. She didn't think it was unreasonable of QIC to decline the claim based on the evidence it had available. And she didn't think the way QIC had communicated with Mr and Mrs M had caused them anything other than minor inconvenience.

Mr and Mrs M disagree and so their complaint has come to me to decide.

my findings

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 Mr and Mrs M's complaint. I know this will disappoint them but I hope the reasons I'm about to give help them to understand why I've reached this conclusion. And I'd like to assure Mr and Mrs M I've reviewed all the evidence on their case file very carefully.

My starting point is that, for Mr and Mrs M to make a successful claim on their home insurance policy, in common with all policyholders, they must show that an event that's covered by their home insurance most likely caused the damage they're claiming for. On balance, and based on all the evidence I've seen, I don't think Mr and Mrs M have done this.

I can see Mr and Mrs M's policy covers them for "*escape of water*" (as defined in the policy). This is the insured event I think they need to establish to be able to make a successful claim under the insurance. And it's important to note that water loss that's gradual is excluded from this cover.

In order to decide whether or not QIC has acted unreasonably in declining Mr and Mrs M's claim, I have looked at all of the evidence. I think going through this chronologically also shows to some extent why QIC's assessment of the claim changed over time.

Mr and Mrs M say the damp was caused by their neighbour's bath leaking, and this travelled down the inside wall of their home. They say their neighbours admitted liability for the leak and gave them their insurance details, which Mr M passed on to QIC. Mr M says the neighbours told him the leak was repaired in May 2018.

QIC appointed a leak detector specialist company to survey the damp. It carried out a number of tests, including a salts test. These were positive for chlorides and negative for nitrates. It said this meant it was likely the moisture on the wall was from a clean water source. It noted the salts test was for guidance only and needed to be interpreted in the context of the rest of the findings. It concluded overall that the water damage to the dining room wall and the exterior wall occurred due to a leak in the neighbouring property.

QIC accepted the claim. At the end of June 2018, the firm of contractors who'd been instructed to carry out the repair works emailed QIC to say Mr M was concerned water was still coming through from the outside. The contractor said the external wall was still wet and there was a concern the insulation and render on the outside of the gable wall was also holding water at the rear and trapping water between the insulation and the brickwork. The contractor said the external wall needed to be dried before repairs could begin.

In July 2018, a damp management specialist company was appointed, it seems to have carried out some drying works. In its report, it also concluded water had been escaping from the neighbouring property's bath waste – although, as with the previous inspections, there's no evidence it inspected the neighbour's bathroom. It said moisture had travelled in between the solid wall and cladding of Mr and Mrs M's home, had saturated that wall and migrated into the dining room. But it also said that due to the age and construction of the property it wouldn't be able to dry the external wall but that natural drying would occur after the building works were done.

From notes attached to this report, QIC challenged this specialist's findings in three emails between the end of July and mid-August. It said the report from the first leak detector specialist hadn't found a leaking pipe and that "*all photos indicate penetrating/rising damp*".

Following these discussions, the damp management company carried out another monitoring visit to Mr and Mrs M's home. A second salts test was done, at QIC's request. This gave a positive result for nitrates which the specialist technical adviser said in an email to QIC indicated rising ground water. The adviser went on to say Mr M couldn't give any evidence showing the alleged water damage had been caused by the neighbouring property. And he said that, while the test raised concerns over a failing or non-existent damp proof course, he was unable to say this was the only cause of the damage. He said he was unable to rule out ingress from another source.

It was on this basis that, at the end of August 2018, QIC wrote to Mr and Mrs M declining their claim. It said it would reconsider the claim if Mr and Mrs M provided it with evidence that the leak in the neighbour's bathroom had caused the damage.

After this, in January 2019, Mr and Mrs M got their own professional damp specialist to report on the damage and the costs to repair it. This report notes staining on the external wall from what it says could be leaking rain water goods above. It also says there were signs of moisture on the party wall in the alley way which the specialists "*believe ...will have occurred due to the bath leak.*" It says no other external defects were noted at the time of the inspection that it believed could contribute to dampness within the property. It says that while rising damp couldn't be fully ruled out, its thermal imaging shows "*a pattern which indicates the cause of dampness to be due to water ingress issues which we have been identified externally (rain water goods leak and previous bathroom leak).*" The report also refers to some dampness on the living room wall near the chimney breast. This wall is at the opposite

side of the house to the dining room wall where Mr and Mrs M first noticed the dampness – so it seems there may have been rising damp elsewhere in the property.

The last piece of evidence I've looked at is a second report Mr and Mrs M got from another dampness specialist. On looking at photographic evidence, this specialist said the internal very localised severe damage was not consistent with long-term rising damp and that the localised algae and moss on the exterior wall also wasn't consistent with long-term rising damp. He said the fungal growth present was consistent with "*very wet material e.g. from flood, severe long-term wetting and not simple capillary moisture from rising damp*". He concluded that, "*whilst there may be rising damp present (there may however be a perfectly functioning physical damp proof course), the damage shown in the photographs of May 2018 is not consistent with this. It is, however, far more consistent with a significant source of water being or having been present in a localised position.*"

Having highlighted the main evidence here, I should say it isn't my role to decide what has caused the dampness in Mr and Mrs M's home. Instead, it's to decide if QIC has acted reasonably in declining their claim.

At the start of this decision, I said it was for Mr and Mrs M to show that an event that's covered by their insurance – in this case, escape of water – most likely caused the damage to their home. I have no clear evidence of the specific cause of the leak in the neighbour's bathroom and nothing has been provided from Mr and Mrs M's neighbours to confirm this. And I think the first specialist who assessed the damage probably relied on what Mr and Mrs M said in its findings. I say this because, in its report, it says it was unable to investigate the neighbour's bathroom. Nor do I have any clear evidence that the leak has been repaired, although I know Mr M says his neighbours told him it had been.

And when I look at all of the evidence, including the often contradictory expert evidence I've highlighted above, it isn't clear to me that a bathroom leak *most likely* caused the damage Mr and Mrs M are claiming for. From this evidence, it's possible there are two other causes or contributing factors – rising damp and a leak from the rain water goods. On the basis of the evidence I have – and I know this is hard for Mr and Mrs M (especially since, to begin with, their claim was accepted) – I don't think QIC has acted unreasonably in declining their claim. That's because I don't think Mr and Mrs M have done enough to show the bathroom leak was the most likely cause of the damage.

I know that Mr and Mrs M are unhappy that much of their communication with QIC was by phone, rather than in writing. And I think it would've been helpful if QIC had made its specialists' reports available to Mr and Mrs M sooner than it did and had explained to them the reasons for the additional scrutiny of their claim later on. But I can't see that QIC delayed unreasonably in responding to Mr and Mrs M concerns. And overall I don't think it was unreasonable for QIC to move their claim forward as it did. I don't think Mr and Mrs M suffered anything beyond minor inconvenience for these things, so I don't think QIC needs to award them any compensation for this.

my final decision

For the reasons I've given, I don't uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 24 May 2020.

Jane Gallacher
ombudsman