

complaint

Mr B complains about Homeserve Membership Limited's handling of a claim he made under his plumbing and drainage insurance policy.

background

In January 2015, Mr B contacted Homeserve about a leak in his home. Homeserve sent its contactors to inspect it several times. It says the cause was a leaking valve connected to Mr B's boiler.

Homeserve told Mr B it wouldn't repair the leak because it isn't covered under his plumbing and drainage policy. It said this was because the leaking valve is connected to the boiler, and repairs to a boiler aren't covered under his policy. Mr B disagreed and said he understood the policy does cover repairs to pipes and doesn't exclude pipework attached to a boiler.

Mr B brought his complaint to our service. The adjudicator looked at Mr B's policy and agreed it doesn't clearly exclude repairs to pipes attached to boilers. So, because the policy wording covers leaks to pipes, without clear exclusions for pipework that is connected to a boiler or gas central heating system, she recommended that Homeserve should repair the leak. She also recommended that Mr B be paid compensation for the trouble and inconvenience this has caused him.

Homeserve disagreed, although it did offer to cover Mr B's reasonable costs for a private repair, as a gesture of goodwill. But Mr B asked for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr B's policy does offer cover for repairs to leaking pipes, and I think it's reasonable to consider that pipework can include valves. But Homeserve has said the item that is leaking is a valve that is supplied with the hot water cylinder and that it forms part of the central heating system, not part of the plumbing and drainage.

It's Homeserve's responsibility to make sure its policies are clearly worded. Where the policy wording is unclear or ambiguous, then I think it's fair to interpret it in favour of the customer. So while I accept that it won't be possible to list every possible exclusion, in this case the policy specifically says it does cover repairs for leaking pipes or joints; and that isn't limited to exclude pipes attached to the boiler. It also identifies '*water leaks from central heating pipes and radiator valves*' as an example of what is covered.

The policy lists a number of general exclusions, but pipework connected to a boiler or gas central heating system is not one of those. The exclusions Homeserve is relying on to decline the claim are:

'a) Any item not forming part of your policy coverage as detailed in 'what is covered?'

...

'e) Replacement of water tanks/radiators/hot water cylinders:'

...

i) no hot water due to a breakdown of a water heater, a boiler or a central heating component....'

But I don't think that's sufficiently clear to exclude the leak that's occurred. The leak was coming from a pipe attached to the boiler, but the boiler or hot water cylinder itself doesn't need replacing.

Because of the ambiguity in the policy wording in this case, I think it's fair and reasonable for Homeserve to deal with the necessary repair, even though I understand that the policy has now been cancelled.

Mr B might prefer to arrange for the repair himself, rather than having Homeserve do it. If he does, then Homeserve should pay the reasonable costs of that (subject to Mr B first providing an estimate from a suitably qualified engineer). But in that case, I think it's fair that Homeserve not be held responsible for any further problems or issues that might arise from the private repair.

Mr B has had the ongoing delay, trouble and inconvenience of having his claim met, and I think that £150 compensation is fair under the circumstances.

my final decision

For the reasons I've given, my final decision is that I uphold this complaint.

I require Homeserve Membership Limited to promptly deal with the repair of the leaking pipe, once Mr B says how he wants it handled – either by Homeserve paying for Mr B's repairer to do the work or by Homeserve doing the repair itself. As well, Homeserve should pay Mr B £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 November 2015.

Helen Moya
ombudsman