

## **complaint**

Mr H is unhappy that a claim he made for damage caused by a water leak under his "Landlord's Choice" policy has been declined by Liberty Mutual Insurance Europe Limited

## **background**

In May 2014 Mr H's broker reported a claim for escape of water to Liberty. Mr H had said the damage had occurred two weeks earlier. Liberty sent out a loss adjuster who inspected. The loss adjuster discovered that the leak had been going on since January (so the tenant advised). Liberty decided to decline the claim as it said it was gradually occurring. Since Mr H had known about it for several months it thought that he had prejudiced its position and the damage would have got much worse in that time.

Mr H insisted that he hadn't known about it until February. He said he had made serious efforts to have the damage looked at and repaired. Liberty said it would reconsider it if Mr H could produce evidence of attempts to locate/repair the leak prior to May, when the claim was first reported.

On referral to this service our adjudicator didn't uphold the complaint. He thought that Mr H hadn't shown the damage was sudden and unexpected under the terms of the policy. He also thought that Liberty's offer to reconsider was reasonable.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Under the terms of Mr H's Landlord's Policy his rental property is covered for '*sudden and unexpected loss of or physical damage to the building*' caused by specific insured events. These include - '*water leaking from any fixed appliance or damage caused to these items by freezing or violent bursting.*' The policy also has an exclusion for "*gradual causes*".

The evidence is that Mr H had known about the leak since at least February 2014. So the leak had been occurring for at least three months, probably earlier. Mr H has said that he employed a plumber to locate the source of the leak but hasn't provided any evidence to show this.

Our approach is that we think it's unfair for insurers to use an exclusion for gradual causes or to say something like a water leak isn't sudden and unexpected if the consumer couldn't possibly have known about the leak. This often happens where there's a concealed pipe and the evidence doesn't show through until after it had been leaking for some time. But here Mr H had known about the leak and didn't report it for three months. Liberty had declined the claim but agreed to reconsider it if Mr H produces evidence of attempts to locate and/or repair the leak prior to May 2014. I think this is reasonable.

So overall I think Liberty has acted fairly in declining the claim but offering to reconsider if Mr H provides the evidence asked for.

**my final decision**

I don't uphold the complaint. I make no award against Liberty Mutual Insurance Europe Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 23 November 2015.

Ray Lawley  
**ombudsman**