

The complaint

Ms R complains about Tesco Underwriting Limited's decision to turn down her accidental damage insurance claim under a buildings insurance policy.

What happened

In 2022, Ms R arranged for her septic tank to be emptied. The water company that attended noticed the tank was damaged before carrying out any work.

Ms R contacted her current insurer to make a claim. They turned this down, and said the damage must've happened when the tank had been emptied previously (in October 2020), which predated the start of her current policy. As Ms R had been insured by Tesco when the tank was last emptied, she made a claim with Tesco.

Tesco turned down the claim. It thought Ms R's current insurer should be responsible for accepting the claim. Unhappy with this, Ms R brought a complaint to this Service.

Our investigator recommended the complaint be upheld. He said it was accepted that the tank had suffered accidental damage, and he thought this most likely happened in October 2020. As Tesco was on risk at this time, he recommended that Tesco accept the claim and put right the damage.

Tesco didn't agree with our investigator's recommendations, and so the matter has been passed to me for a 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.

I've read the drainage company's report. They said the property had a 'baffle and ball' septic tank, and Ms R had arranged for the tank to be emptied in January 2022. When the tanker company attended to do so, they found damage in the tank. The drainage company carried out an inspection and said the baffle had collapsed and was floating on the surface. It was noted that the tank had previously been emptied in October 2020. The drainage company estimated a new tank and installation would cost around £13,000 plus VAT.

Tesco's loss adjuster carried out their own inspection. They said there was no clear evidence that the damage occurred whilst the Tesco policy was in place. Though it was accepted that there was accidental damage to the baffle.

In cases such as this, I've considered what damage occurred, and when it likely happened. Here, the accidental damage was to the baffle cone which caused it to collapse. The parties haven't provided any supporting evidence to show why this might happen. I understand from my own research on the internet that this can happen when a tank is emptied. Ms R's current insurer thought the damage likely happened when the tank was previously emptied.

When the tank was emptied in October 2020, the water company didn't report any problems with the baffle cone at this time. This would suggest that there weren't any issues before the emptying took place. However, as Ms R's representative says, the only object that entered the tank was the emptying hose, and so it seems likely the damage happened whilst the tank was being emptied without the water company realising this.

No other object entered the septic tank between the dates it was emptied in October 2020 and January 2022. So, on balance, I think it's reasonable to conclude that the damage most likely happened when the tank was emptied in October 2020.

There's nothing to suggest that the collapse of a baffle cone would happen gradually. And if the damage happened as I think it did, in other words damaged by the hose when the tank was last emptied, then the damage would have started and stopped whilst Tesco was on risk. So I don't agree that Ms R's current insurer should deal with the claim. I'd only expect them to do so if the evidence supported that some of the damage happened after the policy with them had started.

I therefore find that Tesco should deal with the claim.

My final decision

My final decision is that I uphold this complaint. I require Tesco Underwriting Limited to deal with the claim, in line with the policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 1 January 2024.

Chantelle Hurn-Ryan
Ombudsman