

The complaint

The executors representing the estate of the late Mrs C complained to U K Insurance Limited ("UKI"). They thought their claim for damage caused by a burst water pipe was unfairly declined under the property's home insurance policy. The executors also described the poor customer service they received.

What happened

The executors said following a prolonged cold period a pipe in the loft of the insured property burst causing extensive flooding and subsequent damage. The executors made a claim for the loss suffered and were unhappy when it was declined. They thought the service provided by UKI during the claim had fallen short of reasonable expectations due to excessive delays and poor communication.

UKI declined the claim as it said the executors hadn't adhered to an unoccupancy endorsement that had been applied to the policy. As the endorsement hadn't been complied with, UKI said the policy didn't cover escape of water and so declined the claim. The executors think the claim could've been handled far more effectively to avoid unnecessary distress and inconvenience.

Our investigator decided not to uphold the complaint. He thought UKI had acted fairly and in line with the policy terms and conditions. He also thought the £300 compensation was fair for the distress and inconvenience caused. The estate of Mrs C disagreed, so the case has been referred to an ombudsman.

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 started by considering whether I think UKI were fair to decline the claim. Due to the unfortunate circumstances an endorsement was added to the policy due to the length of time the property would be left unoccupied. I think it was reasonable to add the endorsement. An unoccupied property increases the risk for an insurer. So to allow insurance cover to continue, UKI placed certain obligations on the custodians of the property to reduce its risk in order that it could continue to insure the property.

The endorsements were explained to one of the executors when been added to the policy, and this was confirmed when written documents were shared. I appreciate the executors said they haven't seen these documents, but realistically I'm not sure what else I'd expect UKI to do to ensure this information was explained. The call handler explained if there were any further questions that the executors should call UKI so it could answer these.

UKI declined the claim as it said one of the conditions of the endorsement hadn't been met. UKI explained that it is comfortable for the water system to be left on and not drained on one condition. The condition was *"if the home is centrally heated, the central heating system is left on at all times to maintain and air temperature of not less than 10c (50f)"*.

UKI have provided evidence to show the home wasn't centrally heated and the water system hadn't been drained. UKI said the way the property was heated meant the pipes weren't warmed up regularly. This led to the pipes freezing and bursting in the cold conditions. I think as the executors didn't meet this condition; I think UKI has been fair to decline the claim as the executors didn't meet their obligations under the policy. The risk of a claim was higher than the conditions in which UKI set out.

I've considered the customer service the executors received. They said the delays had caused more damage to the property and the damage wasn't mitigated. However, I've read notes about what happened. I can see the executors were advised as soon as the loss adjuster was appointed to have the leak fixed. The home insurance policy would only cover the damage from the incident and not the fix of the leak. So, I think UKI's contractors were reasonable in providing this advice. As the sooner the fix was made the sooner further damage could be mitigated.

From this point, I can see the claim took around two and a half months to be formally declined. With any claim there will be a period of review and claim validation. This claim is no different. But, I think this period could've been expected to be slightly longer than normal as further interviews and investigations were required to confirm whether the obligations of the policy endorsement had been met. However, I don't think the delays were significant and I'm not sure they'd have had any detrimental impact on the property.

However, I do think UKI could've managed the executors' expectations better and provided better communication. It could possibly have provided a quicker outcome, allowing them to get on with the repairs themselves. UKI did apologise and paid £300 compensation for the distress and inconvenience caused. I appreciate this was a stressful time for all involved, but I do think this award is about right for the errors UKI has acknowledged.

Therefore, I don't uphold this complaint. I think UKI has been fair in declining the claim and I think the compensation offered is reasonable for the distress caused.

My final decision

My final decision is that I don't uphold this complaint. I don't require U K Insurance Limited to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 24 October 2023.

Pete Averill
Ombudsman