

The complaint

Mr J complains that Fairmead Insurance Limited has declined his insurance claim unfairly.

What happened

Mr J had a Home and Contents insurance policy with Fairmead, that he'd renewed for the period of September 2021 to September 2022. In early September 2022 Mr J said the ceiling in his dining room fell down. Mr J said the cause of this was from an escape of water that his plumber said was from a cracked tile in his shower. He said the plumber replaced the tile to prevent further damage. Mr J said he made a claim against his insurance policy for the damage to his ceiling to be repaired. Fairmead declined Mr J's claim as they said the escape of water was caused by failed sealant/grout which was excluded under the policy. Mr J complained to Fairmead as he said the cause of the water escape was a cracked tile that had been accidentally damaged and so should be covered under his policy.

Fairmead said the claim was declined because of failed sealant/grout which was excluded from Mr J's policy. And for them to be able to consider Mr J's claim under another section of the policy they needed to see the damage prior to repair. But they acknowledged there had been some unnecessary delay and offered Mr J £100 to compensate him for this.

Mr J wasn't happy with Fairmead's response as he reiterated the cracked tile was the cause of the water escape, and he was covered under his policy for accidental damage. He referred his complaint to us.

Our investigator said Mr J hadn't shown the cause of the escape of water was from an insured risk, and so the indirect loss from the damage this caused wasn't covered under Mr J's policy. He said the £100 offered for the delay was fair and reasonable.

Mr J didn't agree, he said he had to get the cracked tile replaced to prevent further damage, and it wasn't fair that his claim was declined as he hadn't kept the damaged tile after it was repaired. He asked for an ombudsman to decide.

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 know my decision will be disappointing for Mr J, while I empathise with the position he finds himself in, for me to say Fairmead must do something different I must first be satisfied they declined his claim unfairly I can't see that they have here which is why I won't be asking them to do anything else. I'll explain why.

For any insurance claim to be successful, the policyholder must show they have a valid claim, meaning an insured event happened that caused them damage or a loss. Insurable events are listed in the policy and reflect the fact that no policy covers everything that might happen. Only damage caused by one of the one-off perils (or events) listed in the policy will

be covered. If the damage can be shown to be caused by such an event, then the insurer must pay the claim unless it is able to rely on one of the policy exclusions to decline it.

Having looked at everything, I don't think Mr J has shown, on balance, that the damage was most likely caused by a one-off insured event.

I can see from Fairmead's records that when Mr J made his claim against his insurance policy it was for the collapse of his dining room ceiling. On first reporting the incident Mr J said the most likely cause of the ceiling collapse was water escaping from faulty bath seals. He also said he'd had a plumber repair the seals. Fairmead advised Mr J that damage caused by wear & tear, maintenance and age-related issues weren't covered. They also said Mr J should get a report from the plumber and plasterer for them to be able to determine the cause of the ceiling collapse for them to consider his claim.

I can see from Mr J's policy that under his building cover he was insured for loss or damage caused by:

"Escape of water from any washing machine, dishwasher or plumbed in domestic water or heating installation."

So an escape of water is covered under Mr J's policy but there are a number of exclusions that can be applied. One of which is:

"Loss or damage caused by the failure or lack of grout and/or sealant in your home"

And it's this exclusion that Fairmead has relied on in declining Mr J's claim. I don't think this term is unusual for policies of this type and I can see from Fairmead's records that when Mr J made his claim against his insurance policy in mid-September 2022, he said he'd had a plumber come out who'd repaired the seals and that this was the probable cause.

After Mr J was asked to provide a report from the plumber, I can see the invoice for the repair work to Mr J's shower said there wasn't any leak from the pipework. And that the most likely source of the water leak was from a cracked tile which was replaced. I can also see the plumber applied new sealant.

I don't think Fairmead acted unreasonably by basing their declination on Mr J's account that failed seals were the cause and the plumber applying new sealant. But Mr J has since said the leak wasn't caused by failed sealant or grout but from the cracked tile. The invoice from the plumber gave the most likely cause of the water leak was from the cracked tile.

Mr J said the damage to the tile happened accidentally when he'd dropped something whilst in the shower. Accidental damage is covered under Mr J's policy and is defined as *"Sudden, unintentional and unexpected physical damage that can be seen."* So, to validate his claim Mr J would need to show the damage was caused accidentally as defined. But Mr J doesn't know precisely how the cracked tile was damaged only saying it was most likely caused by his dropping something in the shower.

I can see that Fairmead said that although Mr J's account of what the cause had changed they would be willing to reassess the claim under another policy term, accidental damage, if they were provided with evidence of the damage before the repair. As Mr J doesn't know when or how the damage happened, I don't think it's unfair of Fairmead to ask for evidence that could show the damage was caused by an insured event (accidental damage). Under Mr J's policy there are obligations he has when making a claim to:

- tell Fairmead as soon as reasonably possible and to give them the full details;

- as soon as reasonably possible after the damage, to provide Fairmead with details of the claim, including any detailed particulars, proofs or certificates, or original valuations, receipts or proofs of purchases pre-dating the loss, or other documents that they may reasonably require;
- retain any damaged contents or parts of buildings so that they can be inspected by Fairmead; and
- give Fairmead any information and assistance that they might reasonably require.

I can understand Mr J instructing his own plumber as he said the repair was an emergency replacement of the cracked tile, to prevent further leakage and to avoid further damage to the property. I can see from the records that this wasn't Mr J's only shower, so he did have the option not to use the shower thereby preventing any further escape of water while an insurance claim was assessed. I can also see that Mr J had the repairs done several days before he reported the incident to Fairmead which meant they didn't have the opportunity to assess the cause of the damage before repair.

As mentioned previously for an insurance claim to be successful it would be for Mr J to show an insured event had happened that caused the damage. While the most likely cause of the leak was a cracked tile, I'm not satisfied that Mr J has shown the damage was caused accidentally, as there could be some other cause such as gradual wear and tear, which is an exclusion under the policy terms.. So, I don't think Fairmead has acted unfairly by not considering Mr J's claim under the insured event – accidental damage as Mr J hasn't shown he'd a valid claim. And I don't think Fairmead has acted unfairly or unreasonably by declining Mr J's claim on the basis of his first account that the escape of water was caused by failing seals.

Fairmead has said there had been delays of several days in responding to Mr J's emails and he'd been kept waiting for over an hour when he tried to call them. Fairmead offered Mr J £100 for the distress and inconvenience this had caused which I think is fair and reasonable.

My final decision

Fairmead Insurance Limited has offered Mr J £100 to settle this complaint. I think that's fair in all the circumstances, so I don't require Fairmead to do anything more to put things right. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 August 2023.

Anne Scarr
Ombudsman