

The complaint

Mr and Mrs Y complain that AWP P&C SA (AWP) declined their claim and provided poor service, under their home emergency insurance policy.

What happened

Mr and Mrs Y's external drain became damaged and blocked. This resulted in water coming back up into the bath, sink and toilet. As they held a policy with AWP, they made a claim. They said that AWP provided incorrect information to them regarding cover. So, they instructed an independent engineer who attended, repaired the drain issue and charged Mr and Mrs Y £269.74.

Mr and Mrs Y believed that they were covered and raised a complaint to AWP. They wanted AWP to reimburse them the costs incurred.

In its final response AWP maintained its decision to decline. But it recognised the poor service it had provided and offered Mr and Mrs Y £100 compensation for the trouble and upset caused. Although Mr and Mrs Y accepted the £100 compensation, they said that AWP ought to reimburse the £269.74. Also, they said that AWP hadn't even paid them the £100 compensation it promised. So, as they had been given their referral rights, they referred a complaint to our service.

One of our investigators considered the complaint and ultimately didn't uphold it. She said that the policy terms and conditions, excluded cover for the incident. In that the drain that was blocked was external. And that Mr and Mrs Y provided no evidence to support that there had been water damage caused to the inside of their home. What they had said was that water was coming up through the bath, sink and toilet, which wouldn't amount to an emergency. So, she concluded that AWP had been fair to decline the claim. And had been fair to offer £100 compensation for the poor service.

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.

Having done so, I won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mr and Mrs Y, but I hope my findings go some way in explaining why I've reached this decision.

I've considered all the evidence and comments provided to me by both parties. In particular the extensive comments made by Mr and Mrs Y. As an informal, impartial, dispute resolution service, we are tasked with coming to a decision with the minimum of formality. As such, it isn't necessary for me to address each, and every point raised. But I have considered each point raised by both parties, when deciding what are the main issues of the complaint. And I think, the main issue of this complaint is whether AWP fairly declined Mr and Mrs Y's claim.

I have reviewed the policy terms and conditions as this outlines the obligations on both parties and the contract that both parties agreed to. The term that AWP relied upon when it declined Mr and Mrs Y's claim was as follows:

'Failure of, or damage to, the plumbing or drainage which will result in water damage inside your home. This includes: burst pipes, overflowing water tanks, blocked waste outlets (including toilets); and blocked drains.'

I've had a thought about what this means. And I think it means if there is a failure or damage to the plumbing or drains then this is covered. But I also think the important words here are: *'will result in water damage inside your home.'* I think this makes it clear that there will only be cover for plumbing or drain issues, where water damage has resulted inside the insured property.

Although, I accept that Mr and Mrs Y explained that water was coming up through their sink, bath and toilet, and they wanted to prevent damage, they have provided no evidence to support that any water damage was caused to anywhere inside their home. And as this is a specific term in their policy, I'm satisfied that AWP fairly declined their claim.

I've next turned to the compensation offered. I understand that there was some poor communication, delay and misinformation given to Mr and Mrs Y from AWP. AWP, accept that the level of service provided wasn't its usual standard and for the shortcomings, it offered £100 as a gesture of goodwill.

Mr and Mrs Y said that they accepted the £100 but have yet to receive it. I think in the circumstances, AWP ought to ensure that Mr and Mrs Y are paid as they were promised, if it hasn't done so already.

I do find for the service failings that the amount of compensation offered is fair and in line with our services guidance on compensation awards. So, I won't be asking AWP to increase this further.

I acknowledge Mr and Mrs Y's strength of feeling about this complaint and the reason why they referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that AWP acted unfairly. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y and Mrs Y to accept or reject my decision before 16 November 2023.

Ayisha Savage
Ombudsman