

The complaint

Mr and Mrs G complain that QIC Europe Ltd declined a claim they made under their home insurance policy for a water leak.

Mr G has primarily dealt with things, so for simplicity, I'll refer to him only.

Reference to QIC includes its agents and representatives.

What happened

I'll summarise the main points about this dispute:

- Mr G got in touch with QIC in August 2022 about a water leak under his home. It appointed a drainage company, C, to investigate the problem.
- C said there was no evidence of a one-off accidental incident, so the claim was declined. Mr G disagreed, he thought the problem had happened around the same time as there was hot and dry weather and this meant the ground beneath the house had moved and damaged the pipe.
- Concerned about the impact of the continued water leak, Mr G turned to a contractor to have the pipe repaired in September 2022.
- Mr G complained about the outcome of the claim and the way it had been handled. He said QIC and C had been slow and unresponsive about arranging C's inspection and the results of it. He also said C had focused on the pipe problem and not considered whether any resultant water damage was covered by the policy.
- QIC said the pipe damage wasn't covered because it didn't meet the definition of 'accidental damage' under the policy. It didn't think there had been a delay.
- Our investigator didn't think the complaint should be upheld. He said the evidence suggested the pipe damage wasn't covered. And as Mr G had said he'd dealt with the resultant water damage, there wasn't anything further to consider on that point.
- Mr G disagreed. He said C hadn't found the source of the leak because it was under the house and the cost of accessing it would have been prohibitively expensive. So it didn't know exactly what the damage was or what had caused it. He maintained the unusually hot weather in the summer was the likely cause. He also said that although he'd repaired the water damage, it would be fair for QIC to contribute to the cost.
- As an agreement couldn't be reached, the case has been passed to me.

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.

- The policy covers 'accidental damage' to underground pipes.
- 'Accidental damage' is defined in the policy. Amongst other things, the damage must be sudden, happen at a specific time, and be caused by something external and identifiable to be accidental.
- C's report said the leak was under the house. And because there was no evidence of anything above the pipe which could have caused the damage, it was likely adverse ground movement over a period of time that led to the leak.
- I understand Mr G broadly agrees the leak was under the house and caused by ground movement. But he thinks that was a sudden problem. And he questions whether it's fair to rely on C's opinion when it hasn't accessed the damage.
- As Mr G has noted, because the section of the pipe that was leaking is below the house, the cost of accessing it means it's not in the interest of either party to pay to do so and see the damage. That means neither party knows exactly what the damage looks like and that leaves a degree of uncertainty about the cause of it.
- When this Service looks at a complaint, we consider things on the balance of probability. That often means making decisions on the basis of what we consider to be more likely than not in the circumstances.
- Here, the policy is quite specific about what form the damage must take for it to be covered. And given the location of the pipe, it's unlikely there would have been accidental damage unless a specific, sudden event can be identified as the cause.
- The only such event suggested is that of ground movement due to weather conditions. Even if that were the case, in my view that's an inherently gradual process, not a sudden one – as perhaps a drill through a pipe would be.
- So whilst the exact cause of damage is uncertain, I'm satisfied the available evidence and wider circumstances mean the pipe damage is unlikely to meet the policy definition. And it follows the claim for the pipe damage was fairly declined.
- The policy also covers damage caused by water escaping from a domestic water installation. Mr G said there was water damage internally, which is what alerted him to the leak. I understand Mr G has carried out work himself to put the damage right, so he has no invoice or receipt for the work. But there would clearly have been a cost to him, both financially and the time he spent doing it.
- QIC has noted the policy excess for an escape of water claim is £600. Given the nature and extent of the damage, it's suggested the cost to Mr G was likely below that amount. From the evidence I've seen, I agree. So whilst I agree there was likely damage caused by escape of water, I'm not satisfied it would be fair to require QIC to pay towards its repair.
- When Mr G first made the claim, he was told a company, D, would be in touch with him within seven working days. A few days later, C was appointed instead. That meant Mr G waited a few days longer for an inspection than he thought he would. Similarly, it took a few days longer for C's report to be produced and assessed than Mr G was told to expect. These delays were unhelpful and it would have been

preferable had they not happened. But overall I'm satisfied the claim was dealt with reasonably promptly and I don't think compensation is due in the circumstances.

- Overall, I'm satisfied QIC has treated Mr G fairly.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 27 October 2023.

James Neville
Ombudsman