

## **The complaint**

Mr B is unhappy with the way in which Advantage Insurance Company Limited ('Advantage') handled a claim made on his home insurance policy and declining his claim.

## **What happened**

Mr B made a claim on his home insurance policy for damage caused by water leaking from his washing machine. Advantage arranged for an inspection of the damage. And relying on the inspection report, it repudiated the claim on the basis that Mr B had not reported the damage sooner, the damage had been caused gradually and not because of a one-off event.

Mr B disagreed. So, he brought a complaint to the Financial Ombudsman Service. He says he reported the leak from the washing machine and resulting damage quickly after the incident. And that he'd been given assurances by Advantage that it would be covering the costs to repair the damage.

Our investigator looked into what happened and didn't think Advantage had unfairly declined the claim. However, he did recommend Advantage pay £75 compensation for distress and inconvenience caused by poor customer service.

Mr B didn't agree with our investigator's view. Advantage felt the compensation was too high. So, the complaint has been passed to me 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.

Advantage has a regulatory obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

The policy excludes damage caused by gradual causes, including anything that happens gradually over a period of time.

I think Advantage has fairly and reasonably relied on this term to decline the claim because the inspection report requested by Advantage ('the inspection report') reflects:

- There was evidence of pre-existing or long-term damage, that the washing machine was faulty and leaks out of the front door.
- The damage hadn't occurred from one incident. It had happened over a long time and "customer is fully aware as they explained to me".
- The damage hadn't occurred recently and there was evidence of mould, rot or decay because the wooden flooring was constantly getting wet, and this has now delaminated.

Mr B disputes that there was any long-term damage and says that he'd promptly notified Advantage of the leak. He's also provided a letter from the person who'd visited his home to provide a quote to replace the flooring. That reflects that "the damage **could have** occurred as a result of a one-off single incident leak caused by the client's washing machine" (my emphasis). But that's not definitive and the report isn't as detailed as the inspection report.

So, I don't think Advantage has acted unreasonably by relying on the inspection report to decline the claim. It's detailed, contains photos and gives reasons for the opinions given.

However, I am satisfied on the balance of probabilities that Mr B was wrongly told that the claim had been accepted during a call with Advantage's representative on 27 May 2022. His submissions about what was discussed during that call are consistent and I find them plausible.

He says that he was told that the next step would be for the contractor to be contacted to carry out the works. And when Mr B said he'd received a quote from his own contractor – which he'd sent to Advantage a week before – he was told that someone would be in touch to obtain his bank details to make payment. That's also somewhat supported by an internal email provided by Advantage dated 30 May 2022 asking someone to call Mr B as he was very confused that the claim had been repudiated.

By way of email to Mr B at the end of May 2022, Advantage accepted a call took place but due to a system error it can't provide the call. Our investigator also asked whether there were any notes of the call and Advantage confirmed there weren't. So, on balance, I accept what Mr B says.

I think Mr B would've been very disappointed and upset to discover that Advantage wouldn't be covering the costs to repair the damage given what he'd been told before then. Taking everything into account, I think £75 fairly and reasonably reflects the distress and inconvenience he experienced.

### **Putting things right**

I direct Advantage to pay £75 compensation to Mr B for distress and inconvenience.

### **My final decision**

I partially uphold Mr B's complaint and direct Advantage Insurance Company Limited to put things right as set out above. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 August 2023.

David Curtis-Johnson  
**Ombudsman**