

The complaint

Mr D and Mrs D have complained that Covea Insurance plc (Covea) declined a claim under their home insurance policy.

What happened

Mr D and Mrs D made a claim for an escape of water. They had trace and access carried out along with some damage being repaired. Covea declined the claim because it said the damage had started before the Mr D and Mrs D were insured by Covea. Mr D and Mrs D said they had been insured by Covea for several years. Covea later agreed this was the case and gave them £50 compensation for the miscommunication.

Covea assessed the claim again and declined it. It said Mr D and Mrs D had taken many months to report the damage and they had failed to mitigate the damage.

When Mr D and Mrs D complained to this service, our investigator upheld the complaint. She said Mr D and Mrs D had explained their significant medical issues and the impact of this. They would also be regarded as vulnerable customers. The circumstances fell within the terms of the policy. She said Covea should pay for the trace and access work and repairs as a result of that work, as this would have been needed regardless. But Covea didn't need to pay for the damage from the escape of water as this was likely to have got worse because of the delay in carrying out repairs.

As Covea didn't agree, the complaint was referred 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.

Having done so, I uphold this complaint. I will explain why.

Covea initially declined the claim because it said it wasn't Mr D and Mrs D's insurer at the time of the loss. Covea later accepted this was an error and that Mr D and Mrs D had been insured by Covea for several years. It then continued to decline the claim because it said the policy required them to report damage within 180 days, but they reported it after 204 days. It also said they had a duty to mitigate their loss.

I've looked at the policy wording. Although it said a claim should be reported as soon as possible, it didn't say it needed to be within 180 days. But, if we take that as the figure Covea work to, this would suggest that any consumer, regardless of circumstances, had 180 days to report a claim. Mr D and Mrs D went beyond this by 24 days. I'm aware that Covea has asked this service where the line should be drawn if it can't apply 180 days. I am considering what is fair and reasonable based on the individual circumstances of this claim and complaint.

Mr D and Mrs D have explained the extensive and significant health issues they were dealing with around the time the water company notified them it thought they had a water leak. It appears Mrs D was likely to have gone into hospital around the time the letter arrived and remained there for a number of weeks. She spent further periods in hospital, with brief periods at home, over the next six months.

Mr D was Mrs D's carer and described the significant impact it had on him and his mental health. It appears that it was only after Mrs D was discharged from hospital and, as it later turned out, remained out of hospital for about five months, that Mr D and Mrs D were able to deal with the issue raised by the water company. This was with the assistance of their son, who was visiting from abroad. So, I think there were significant events that affected Mr D and Mrs D and their ability to deal with the leak and any resulting damage. I also think it's fair to consider that Mr D and Mrs D were vulnerable customers. The Financial Conduct Authority has provided guidance to businesses about treating customers fairly, including where circumstances change.

So, I've looked at what the policy covered. It said:

"Escape of Water or Domestic Heating Fuel.

(a) Water leaking from any fixed tank, domestic appliance (such as washing machine) or pipe.

(b) Domestic heating fuel leaking from any fixed domestic heating installation, such as a boiler.

Following damage insured by (a) and (b) above we'll pay the costs for finding the source of the damage up to £10,000. This also includes the cost for any resulting repairs to floors, walls and ceilings."

It's my understanding that the water was leaking from a pipe, which the policy covered. So, I think it's fair to say Covea needs to cover the cost of the trace and access and any damage caused when it was carried out. I haven't seen evidence these costs increased because of any delay in reporting the claim. Covea should do this based on the costs paid by Mr D and Mrs D to have the trace and access carried out. However, I'm mindful that the damage from the water leak itself was likely to have been more extensive because of the delay in reporting it. So, I don't think I can fairly say that Covea should cover the cost of repairing the damage caused by the escape of water itself, as this was likely to have increased due to it not being dealt with sooner.

Putting things right

Covea should pay the cost of the trace and access and to repair damage caused by that work being carried out. This should be based on the cost Mr D and Mrs D paid to have the work carried out.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Covea Insurance plc to pay the cost of the trace and access and to repair damage caused by that work being carried out. This should be based on the cost Mr D and Mrs D paid to have the work carried out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 2 October 2023.

Louise O'Sullivan
Ombudsman