

## **The complaint**

Ms R is unhappy that AA Underwriting Insurance Company Limited (AA) declined her claim following an escape of water.

## **What happened**

The background to this complaint is well-known to both parties. So, I've set out a summary of what I think are the key events.

Ms R contacted AA about a possible leak in her bathroom. AA explained that she'd be covered for trace and access (T&A) costs if there was a valid claim for damage caused by the leak. AA told Ms R to have a plumber fix the leak and contact it again with the plumber's report to look into validating a claim.

Five months later, Ms R claimed under her policy. She'd had her ceiling and bathroom repaired as well as the leak. AA asked for evidence of the damage, including plumber or builder reports and photos. But Ms R didn't have any evidence other than invoices to show the work was done. AA declined the claim because it wasn't able to validate it.

Ms R complained to AA because it hadn't told her she needed photos to evidence the damage. The only one she had didn't show anything significant to support her claim.

AA issued a final response saying it didn't accept the claim, so Ms R brought her complaint to us.

Our investigator didn't uphold the complaint. She said although AA hadn't asked for photos, it had given clear instructions to Ms R to call back to validate the claim before completing repairs other than the leak itself. As Ms R couldn't evidence the damage caused by the leak, our investigator thought AA had reasonably declined the claim.

Ms R didn't agree. She said the instructions given by AA were ambiguous, and she repeated that AA hadn't told her she needed to provide photos.

The complaint was 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.

Having done so, I've decided not to uphold Ms R's complaint. I realise she'll likely be disappointed with my decision, but the evidence doesn't persuade me that AA did anything wrong. I'll explain.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. Here, Ms R's complaint is that AA turned down her claim unreasonably.

The policy sets out the detail of the contract between Ms R and AA. When it declined the claim, AA relied on the following policy condition:

*1. Notifying a claim*

*(b) What you must not do...*

- *Dispose of any damaged items until we have had the chance to inspect them*

Ms R doesn't dispute she had repairs done and there's no remaining evidence of damage for AA to inspect. So, on the face of it, I'm satisfied AA declined the claim in line with the policy terms and conditions.

I've gone on to look at whether it was reasonable for AA to decline the claim in the circumstances.

Ms R said AA told her to go ahead with all the repairs when she first reported the leak, and it didn't tell her to take any photos. AA said it only told her to go ahead with the leak repairs, not the damage caused by the leak.

The key piece of evidence in respect of this issue is the recording of Ms R's first call to AA. I've listened to the call and the following is a summary of the relevant points:

- The leak repair wasn't covered under the policy.
- Ms R should have the leak fixed and obtain a plumber's report.
- AA couldn't validate the claim until it had the plumber's report.
- Ms R could either register a claim then, or call back when she had the report.
- Damage caused by an escape of water from a pipe would be a valid claim.
- T&A would be covered for a validated claim.
- Ms R was aware of the T&A section of the policy.
- AA told Ms R to call back once the leak was fixed.
- Ms R asked if she could put the claim in online.
- AA said she could up to a point and then a call would still be needed for further questions.
- Ms R said she'd call back and asked whether she'd be able to speak to the same agent.

At no point during the call did AA tell Ms R to repair anything other than the leak itself. In fact, AA said several times that it couldn't validate a claim until it had the plumber's report saying the leak was repaired, what caused it, and the damage caused in accessing the leak.

I agree with Ms R that AA didn't tell her to take photos. But as it hadn't accepted the claim or told her to complete the full repairs, there'd be no reason for AA to ask for photos. As it said in the call, once it had the plumber's report, it would then look at validating the claim.

Based on this conversation, I'm satisfied that AA only told Ms R to go ahead with repairing the actual leak, and there was no reason for it to ask for photos at that stage in the process.

I also listened to the call Ms R made to AA when she logged her claim five months later. AA asked for the cause of damage report, which Ms R didn't have. But AA didn't simply decline the claim. It asked for photos or any other evidence, such as plumber or builder reports, and asked whether her contractors might've had photos. Ms R said she only had invoices, and described the leak as being from a pipe to the showerhead.

Finally, I listened to the call during which AA told Ms R it had declined her claim and why. AA said it was unable to validate the claim because the repairs had been done.

Returning to the first call, AA asked Ms R to get a plumber's report, giving details of where the leak was, and the damage caused in accessing and repairing it, so it could validate the claim. Therefore, I can't say that AA unreasonably declined the claim when Ms R didn't provide the information it *had* asked for.

Overall, I understand Ms R is upset AA declined her claim. But, based on the evidence available, I'm satisfied AA has shown it declined the claim in line with the policy terms and conditions, and fairly and reasonably in the circumstances. I see no reason to require anything of AA.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 1 May 2024.

Debra Vaughan  
**Ombudsman**