

The complaint

Mrs H complains about AA Underwriting Insurance Company Limited's decision to decline a claim made under her buildings insurance policy.

What happened

Mrs H has at times been represented in making this complaint by family members. For ease of reference, I'll simply refer to the information we've been given as being provided by Mrs H.

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mrs H has a buildings insurance policy underwritten by AA which covers a property she owns. The property appears at present to be occupied by Mrs H's brother. We're told Mrs H lives elsewhere.

In short, Mrs H made a claim after an escape of water in a bathroom at the property. The incident occurred on 27 July 2022. Mrs H made the claim on 12 August 2022.

By that time, she'd had a number of repairs carried out, including replacement of the toilet and re-fitting of the hand basin in the bathroom and replacement of flooring in the bathroom and in the kitchen.

Mrs H sent AA invoices from a plumber and a flooring specialist. The total cost was several hundred pounds.

After some discussion with Mrs H, AA declined the claim. They had asked Mrs H to provide photographs of the affected areas before the incident, but she didn't have any. AA said they weren't able to validate the claim due to Mrs H having had the repairs carried out before they had a chance to assess the damage.

Mrs H complained to AA. They apologised for a minor delay in responding to a call from Mrs H at one point, but they maintained that their decision to decline the claim had been correct.

Mrs H wasn't happy with this outcome and brought her complaint to us. Our investigator looked into it and didn't think AA had done anything wrong.

Mrs H disagreed and asked for a final decision from an ombudsman.

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.

I know this will disappoint Mrs H but I'm not going to uphold her complaint. I'll explain why.

Mrs H's policy sets out a number of conditions which policyholders have to meet when making a claim.

I won't quote these conditions word-for-word. But they say that the policyholder should phone the insurer *as soon as possible* after any loss leading to a claim.

They say that the policyholder then needs to provide details of the claim and *estimates* for repair or replacement. And they say the policyholder must not dispose of any damaged items until the insurer has had the chance to inspect them.

Those conditions aren't unusual. Most, if not all, home insurance policies will contain similar provisions.

They're not particularly onerous or troublesome for policyholders either. Mrs H said she had to take immediate action when the incident occurred because there was an on-going leak.

Whilst that's true, the emergency action needed to stop further water escaping and causing more damage didn't necessarily include replacing or re-fitting the whole bathroom suite or replacing the flooring in two rooms.

There are two main reasons why most if not all home insurance policies contain these kinds of conditions.

One, the insurer is perfectly entitled to carry out investigations to confirm that the damage was due to an insured event – and so is in fact covered under the policy.

And two, if there has been an insured event, they are then perfectly entitled to assess the extent of the damage caused specifically by that event and agree the repair or replacement works they're liable to pay for.

In this case, AA weren't able to do either of those things. They were simply presented with invoices to cover repair or replacement work in two rooms which may or may not have wholly – or in part – been caused by an insured event.

Mrs H has made the point that it's unfair to ask her for photographs of the rooms from before the incident since she doesn't have any. I don't agree that was unfair.

What AA were trying to do – quite reasonably in my view and certainly to Mrs H's advantage – was give her a chance to satisfy them about the nature of the claim *despite* the fact she'd only notified them of the claim after the repairs had been carried out.

It's certainly arguable that it wouldn't have been unfair simply to decline Mrs H's claim without giving her that opportunity.

I might take a different view on this case if it were reasonably obvious that the most likely cause of the escape of water *was* an insured event. But that's not the case here.

Mrs H appears to have told AA at first that her brother suffered a fall in the bathroom which caused the damage. Mrs H does have accidental damage cover, although AA might still have felt entitled to assess whether the damage was caused primarily by the impact of the fall or whether the bathroom pipes, sink and/or toilet were in a poor state of repair beforehand.

She later said the leak had simply started without any immediate or obvious cause. It's not unreasonable in those circumstances for AA to think the leak may have been caused by wear and tear – which is specifically excluded from cover under the policy terms.

In short, the terms are very clear. Claims work like this – the policyholder should take immediate action to mitigate against further damage or loss but must notify AA as soon as possible. They must then provide estimates for repairs or replacement. And they must not dispose of damaged items, so AA has the chance to assess the cause and extent of the damage.

I'd ask Mrs H to understand that in this case, she didn't comply with those policy terms. AA were presented with a claim around two weeks after the event. All the repairs and replacements had already been carried out and AA simply got copies of two invoices. They had no opportunity to validate the claim, to identify the cause of the damage and/or the extent of the damage that was covered.

In those circumstances, it appears AA tried to assist Mrs H in validating her claim by any other means possible (the photographs etc.). AA also attempted to contact the plumber who'd carried out the work to see if they could provide any useful information.

But when that proved impossible, it wasn't unreasonable or unfair for AA to decline the claim. The onus was on Mrs H to prove that she'd suffered a loss or damage caused by an insured event – and unfortunately for Mrs H she hasn't been able to do that.

My final decision

For the reasons set out above, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 August 2023.

Neil Marshall
Ombudsman