

The complaint

Mr and Mrs W complain that AA Underwriting Insurance Company Limited (AA) unfairly declined a claim they made on their home insurance policy.

Reference to AA includes its agents.

What happened

Mr and Mrs W hold a home insurance policy with AA. When they suffered a blocked toilet, they made a claim to AA.

AA declined the claim, they initially said the damage happened gradually and was caused by poor design, so wasn't covered by the policy.

Mr and Mrs W didn't think that was fair, so they brought their complaint to us.

Our Investigator didn't think AA had shown that the damage was a result of poor design and didn't think it was fair to rely on the gradually operating clause, so, they recommended AA reassess the claim in line with the remaining terms.

Mr and Mrs W agreed. AA didn't it and asked for an Ombudsman's decision. It said the policy only provided cover for accidental damage, and it was clear this damage didn't meet the definition of accidental damage.

I'm aware that AA has since sent someone to quote for the work to be completed. But it's told us this was a mistake, and it maintains the decline of the claim is fair.

In December 2023 I issued a provisional decision explaining that I thought the decline of Mr and Mrs W's claim was fair. It said:

- *Our Investigator thought it was unfair to say the damage was caused by poor design, and I think that's reasonable. AA hasn't been able to adequately evidence what the regulations were at the time, and why the affected pipes didn't meet those requirements.*
- *Our Investigator also didn't think it was fair to rely on the gradually operating clause, because the damage was underground and there was no mitigating action Mr or Mrs W could have taken. I'm satisfied that's reasonable too.*
- *But Mr and Mrs W's policy only provides cover for accidental damage to underground pipes. It defines accidental damage as "Unexpected and unintended damage caused by sudden and external means".*
- *While the damage was unexpected and unintended, the report provided clearly states that the damage wasn't sudden and had happened over time.*
- *So, while I think it would be unfair to apply the gradually operating clause – because*

Mr and Mrs W wouldn't be aware of it and had no chance to mitigate it, I do think it's fair that AA say the damage doesn't meet the definition of accidental damage as set out by the policy – meaning the damage isn't covered. So, it follows that I find its decline of Mr and Mrs W's claim, fair and reasonable and in line with their policy.

Neither Mr nor Mrs W nor AA responded to that decision.

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.

Because I received no response to my provisional decision, I see no reason to depart from its outcome or reasoning. Therefore, my final decision echoes that provisional decision.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 1 February 2024.

Joe Thornley
Ombudsman