

The complaint

Mr C complains that Admiral Insurance Company (Gibraltar) Limited (Admiral) carried out a poor standard of repair that caused further damage to his property, after a claim under his home insurance policy.

What happened

Mr C contacted Admiral as he had a loss of hot water. It sent an engineer who inspected the immersion heater and said it needed to be replaced. He returned a few days later to carry out the repair.

Mr C describes how he heard the engineer banging loudly, and he wasn't sure if this was a professional way to carry out the repair. The engineer managed to remove the immersion from the tank. This caused water to escape from it, causing a leak, that went through the ceiling and damaged Mr C's property.

Mr C said that the engineer mopped up some of the water and left saying that he would return the next day, after obtaining some parts. The engineer didn't return and Mr C contacted Admiral about this and to raise a complaint about the damage caused to his property as a result of the leak, which he blamed the engineer for.

Admiral said that the parts required were obsolete so the repair couldn't be completed. It said that a new cylinder was required instead. But due to the policy terms this wouldn't be covered. As to the leak, Admiral offered to send the contractors back. But Mr C refused as he had lost faith in them. Mr C also complained to Admiral about the unprofessional manner of one of its advisors.

In its final response, Admiral said that it couldn't agree with Mr C's complaint points. Admiral concluded that the advisor had been professional throughout, even when Mr C swore.

Regarding the poor workmanship, Admiral relied on the terms and conditions of the policy in that the engineer had try to carry out a temporary repair, but the water tank was very old and rusty. The bracket on the water tank fell off as it was so corroded, and a temporary repair wasn't successful because of this. It denied that the engineer had caused the leak. Finally, Admiral said that because there had been a failed/missed appointment, it would pay compensation of £25 for the trouble and upset this caused.

Mr C didn't agree with Admiral and spoke to a claims manager. Following this, Admiral increased its offer to £165 compensation for the distress and inconvenience caused, which would bring the entire claim cost, to the policy limit of £500. Mr C was unhappy about this outcome not least due to the amount of damage caused to his property, so referred a complaint to this service.

One of our investigators considered the complaint and ultimately upheld it. He said that the engineer didn't drain all the water from the system and didn't attempt to fully soak it up. This caused some damage to Mr C's property. But Mr C should've mitigated the damage by

repairing the leak, which he didn't do. So, it would be impossible to know how much of the damage could be attributed to the engineer's repair. He also said that it was unfair to blame the engineer for not being able to repair the badly rusted water tank.

He did recognise that this experience would have been distressing for Mr C and recommended that Admiral pay a further £150 for the trouble and upset that it had caused. Making a total of £315 compensation. Admiral accepted the recommendation of our investigator.

Mr C didn't agree with our investigator as he believed that:

- The engineer wasn't experienced enough and was ill-equipped to carry out the repair.
- That Admiral should've advised that the tank should be replaced initially and then none of the damage to his property would've happened.
- Mr C confirmed that he would pay for the tank (as this wasn't covered under the policy) but not the other items that were damaged as a result of the engineer's actions.
- He reiterated his vulnerabilities and that he felt that Admiral and our investigator hadn't been empathic to his needs.

He requested a 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 considered the complaint and I thought the complaint should be upheld in part. I issued a provisional decision on 17 March 2021 and asked both parties to send me anything else by 16 April 2021. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I'm minded to uphold this complaint and I'll explain why I've reached this decision.

I have reviewed the policy documents which show that Mr C held a home insurance policy with an add on home emergency cover. It provided that Admiral would attend and carry out a temporary repair if there was an emergency that occurred at Mr C's home. Both parties accept that there was an emergency at Mr C's home, and I'm satisfied that this was the case, as he had experienced a loss of hot water.

Admiral sent an engineer to fix the issue and he diagnosed that the immersion was faulty and needed to be replaced. Admiral said that the water tank that housed the immersion, was in a poor state in that it was rusty and very old – which was confirmed by the engineer who attended. Admiral also provided some photos that showed rust on the water tank. Having reviewed those photographs and the engineer's report, I am satisfied that rust was present on the water tank.

I have reviewed the policy terms and conditions and in the general exclusions it provides:

'What is not covered: Any loss or damage caused by anything that happens gradually including wear and tear, wet and dry rot, damage due to exposure to sunlight or atmospheric conditions, due to settlement, or any due to mildew, rust, corrosion, birds, insects, woodworm, pests or vermin.'

So, I think that any damage caused by rust wouldn't be covered. Nevertheless, the engineer decided to continue with the repair by initially attempting to drain the tank, but not turning off the stopcock. Mr C said that at one point the engineer asked him to help him with the repair and asked for a hammer. Admiral has accepted that the engineer used the hammer to remove some rusty bolts. But by doing this, Admiral accepted that it caused the tank to leak, with water dripping through to Mr C's ceiling, causing damage to this, his carpet as well as other items in his property.

The engineer attempted to mop up the excess water and told Mr C that he had stemmed the flow of water. But Mr C said that the engineer didn't manage to fully stop the leak. Admiral said that the engineer attempted to carry out a temporary repair, in line with the policy terms. But due to the poor state of the water tank, no amount of care would've avoided the outcome (namely the leak) and any engineer would've encountered this issue. So, it wasn't due to poor workmanship.

Mr C said that if Admiral were aware that the tank was in such disrepair, then a repair shouldn't have been attempted at all. And, Mr C would've organised to have the tank replaced, by an independent engineer.

I think it was clear from the photos and the engineer's report that the tank was in a poor state. The policy terms don't cover for rust. I'm satisfied that the engineer didn't ensure that the water tank was fully drained, nor did he ensure that the stopcock (which he described as also being rusted) was turned off. I think it would've been reasonable to have refused the repair and advised (as was done later) that a new tank was required. As this wasn't done, Mr C's property became damaged.

I have next considered whether Mr C should have carried out the repairs in order to mitigate the loss. Mr C said that he attempted to soak up the leak with towels but that he didn't want to touch the repairs as he had made a complaint about the engineer's work. Additionally, he couldn't afford to carry out the repairs to his damaged property. But he would've paid for the tank to be replaced.

I think that Mr C took steps to try and mitigate the damage by soaking up the water. And, it was reasonable for him to think that Admiral would've wanted to inspect the damage before carrying out repairs.

Given the circumstances, I think it's fair for Admiral to put matters right. I think that Admiral should pay for the cost of the repairs to the damaged ceiling, damaged stairs and replacement carpet. Regarding the compensation, I am satisfied that this would've been a very stressful time for Mr C and I think a fair level of compensation for the trouble and upset caused, would be £150 in total.

Putting things right

Responses to my provisional decision

Both parties have accepted my provisional decision. So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold the complaint, for the reasons given above.

To put matters right, Admiral Insurance Company (Gibraltar) Limited pay for the cost of repairs to Mr C's property namely the ceiling, stairs and replacement carpet.

To pay Mr C £150 compensation in total, for the distress and inconvenience caused.

Admiral Insurance Company (Gibraltar) Limited should also pay interest on the amounts above, at a rate of 8% simple a year from the date of payment, to settlement.

If HM Revenue & Customs requires Admiral Insurance Company (Gibraltar) Limited to deduct tax from the interest payment referred above, Admiral Insurance Company (Gibraltar) Limited must give Mr C a certificate showing how much tax they deduct if he asks them for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 May 2021.

Ayisha Savage
Ombudsman