

The complaint

Miss G complains that Admiral Insurance (Gibraltar) Limited unfairly declined the trace and access claim she made on her home insurance policy.

What happened

Miss G had home insurance with Admiral, and unfortunately an escape of water occurred from a pipe underneath her bath. Miss G arranged for the leak to be located and fixed and then claimed on her policy.

Admiral declined the claim. They explained that the leak itself wasn't covered, although the resultant damage would be if Miss G claimed for it. Miss G only wanted to claim for the trace and access to the leak. Admiral said that's only covered if the other damage is claimed for.

An investigator here looked into the matter and they agreed with Admiral, that the trace and access claim – in isolation – wasn't covered.

Miss G didn't agree, so the case was passed to me to decide.

I contacted Miss G and Admiral for further information. Miss G provided evidence to show damage to her flooring beneath the bathroom, albeit relatively minimal. Admiral still said the trace and access cover isn't applicable unless the other damage is claimed for.

I put it to Admiral that the policy wording doesn't say that, but they didn't reply any further.

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've gone on to decide this complaint, since there's sufficient information to now do so, and because Admiral has been given fair opportunity to make any final representations. Miss G's insurance policy says:

“Trace and access

*The cost of removing and replacing any part of the **buildings** to find the source of a water or oil leak from any tank, pipe, or fixed water or heating system if the **buildings** are damaged due to any buildings insured risk, or by frost damage to **your plumbing**.”*

There's an exclusion which applies to the actual pipe repairs, but it doesn't say there has to be a claim for the building damage, only that there has to *have been* building damage – and that's been established.

And the cover provided under trace and access is the cost of removing and replacing any part of the buildings. I appreciate the leak was located without the need to remove parts of the building, but it could only be accessed by doing so. Given the cover is trace and access I think it's reasonable to say this instance falls under the access part of the cover.

Miss G says the actual pipe repair was a very minimal part of the job and it seems – from her invoice – that the majority of the cost was for labour. The job involved two people and included the removal of the bath and shower screen, the pipe fix, and then the reinstatement of the bath and shower screen.

Overall, I consider Admiral to be liable to cover the cost of trace and access.

Putting things right

Miss G arranged for the repairs to be completed. I would usually say that means she may have paid more than it would have cost Admiral's contractors to do the work. But since Admiral's position has consistently been that trace and access wasn't covered, Miss G would have had to have had the work done anyway – I wouldn't expect her to wait for the outcome of a complaint to have the leak fixed.

So, I think settlement should be based on Miss G's invoice. Admiral will, however, be able to make a reasonable deduction for the cost of removing and replacing the broken pipe (materials and labour for that part). Admiral should provide Miss G with a breakdown of how they've come to their settlement figure.

There doesn't appear to be a specific excess for trace and access cover, but since the buildings damage was caused by escape of water, it's reasonable for the escape of water excess to be deducted.

Admiral should add interest to the settlement at the rate of 8% per annum simple, from the date Miss G paid for the work to the date the settlement is issued. HMRC requires Admiral to deduct tax from the interest. They should provide Miss G with a certificate showing how much has been deducted, if she asks for one.

My final decision

It is my final decision that I require Admiral Insurance (Gibraltar) Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 12 December 2022.

Will Weston
Ombudsman