

The complaint

Mr P has complained that Accredited Insurance (Europe) Ltd ('Accredited') unfairly declined a claim under a home insurance policy.

What happened

Mr P was insured with Accredited. He later changed insurers. Mr P noticed water damage to his property. A while later, Mr P contacted his current insurer, who considered the claim and said it was damage that had happened before it insured him. It said he should contact Accredited.

Mr P contacted Accredited, who assessed the claim and declined to deal with it as it said the damage became apparent after the policy had lapsed with Accredited. When Mr P complained, Accredited maintained its decision that it wouldn't deal with the claim.

When Mr P complained to this service, an investigator upheld the complaint about Accredited and said it should pay 50% of the costs to repair the damage and some compensation. Mr P asked for this to be reviewed as it didn't cover all of the costs. Another investigator reviewed the complaint and didn't uphold it. He said the evidence from a surveyor indicated the damage had been gradual and through failed shower seals. He said it was fair for Accredited to decline the claim.

As Mr P didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

Mr P made a claim to two different insurers for the water damage. My decision is only about Accredited. However, I'm aware of what happened with the other claim and complaint and have considered all the evidence relevant to this complaint to make my decision.

The policy provided cover for an escape of water, including from fixed water systems. Mr P said he found the water damage a few weeks after his policy cover ended with Accredited, by which time he had moved to a new insurer. Mr P arranged for a plumber to find and repair the leak. The plumber found rot had developed on the bathroom joists. I'm aware there was a delay in Mr P contacting Accredited and the other insurer and the reasons for this.

The other insurer arranged for a surveyor to assess the damage. The surveyor's report said Mr P had explained that the plumber had cut a hole in the ceiling below and fixed the waste pipe. The surveyor noted that it wouldn't be possible to fix the waste pipe without replacing the shower tray, as there was a narrow gap. There also wasn't evidence the plumber had gained access from below. The surveyor said the leak was due to failed shower seals and over a long period of time. The surveyor said the damage was pre-inception of the policy.

Although Accredited declined the claim because it assessed the damage became apparent after its policy had lapsed, for me to require it to deal with the damage, there would need to be evidence there was a valid claim. I'm aware Mr P has said it wasn't possible to identify there was an issue until damage to the ceiling was noticed. Part of the ceiling was then removed and the rot was found. The policy explained rot, or other gradual damage, wasn't covered by the policy.

Even where there is an exclusion for gradual damage, this service would sometimes say it should still be covered. For me to do so, I would need to be satisfied there was an insured event. But water leaking through failed shower seals wasn't an insured event. So, having thought about this carefully, I still think it was fair for Accredited to decline to deal with the claim.

As a result, I don't uphold this complaint or require Accredited to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 March 2024.

Louise O'Sullivan
Ombudsman