

The complaint

Mr B complains about Admiral Insurance (Gibraltar) Limited's response to his home insurance claim.

Admiral are the underwriters (insurers) of this policy. Some of this complaint concerns the actions of their appointed agents. As Admiral accept they are accountable for the actions of their agents, in my decision, any reference to Admiral should be interpreted as also covering the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr B and Admiral. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

In June 2022 Mr B noticed a possible leak from a jacuzzi bath. Mr B decided to stop using the bath as a precaution. He notified Admiral about making a claim on his home insurance policy. Admiral advised that they might cover the claim, but they'd need confirmation that the leak had been fixed and to cover trace and access costs it would need to be an accepted claim for escape of water and damage too. Mr B arranged for a number of tiles to be removed for access to underneath the bath.

Admiral later declined the claim after arranging for a surveyor to visit the property. They advised there was none of the usual signs of water damage. Mr B raised a complaint with Admiral. They didn't uphold it and he referred it to our Service for an independent review.

Our Investigator considered the complaint and most recently recommended that it not be upheld. As Mr B didn't accept the Investigator's recommendations, the complaint has been referred to me for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Have Admiral fairly and reasonably investigated the claim before declining it in line with the policy terms?

Admiral declined this claim as they say their surveyor found no water damage consistent with the water leak Mr B had described. Therefore, they said trace and access costs wouldn't be covered. Mr B on the other hand has said that the tiles needed to be removed for access to the leak and his costs should be reimbursed.

The relevant policy terms for trace and access state:

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

I've highlighted the two key parts of the terms above. In summary, the policy will respond to trace and access costs - but only *if* water damage occurs as a result of an insured event. The word 'if' is crucial here. The issue here is the surveyor didn't find any water damage that would reasonably be expected following the loss event as Mr B has described.

I also note that Admiral's records from the first notification of claim state:

“...T&A will be required and i have made the PH aware that this isn't an insurable peril by itself we will need to cover the resulting water damage to be able to look into covering any trace and access work [bold added for emphasis by Ombudsman].”

Based on the above, I'm satisfied this was made clear to Mr B.

An important detail is the surveyor didn't visit the property for a number of months afterwards - on 6 December 2022. Whilst it might be reasonably expected that some of the escaped water may have dried up since claim notification some 6 months earlier, of relevance from the surveyor's report are the following points:

“The surveyor met with the policyholder as agreed who advised that around 18 years ago they had the bathroom replaced and they have had no issues until a few years ago they started to smell damp but there was no damage [bold added for emphasis by Ombudsman]...”

The PH has advised there was a slight darkness to the grout lines and they were not sure if they were splashing water around when cleaning and didn't know if it was from this...

There is no damp under the tiles, no loose tiles, there is plasterboard, chipboard and other timber under the bath and there are no water marks to these or mould underneath the bath which you would usually get...

There is no water marks under where the trap [bold added for emphasis by Ombudsman] was...

There is no discolouration of grout, no swelling or rot to any of the materials [bold added for emphasis by Ombudsman] and therefore no evidence of an EOW.”

The damp readings under the bath were still showing as high and areas away from the bath were also showing higher than expected readings. This is particularly relevant given the time that passed from Mr B reporting the claim and the surveyor visiting. I've weighed this up against the lack of visible water damage in the photos provided that might be expected in the area close to the waste pipe/trap. Admiral have pointed to rising damp as a possible cause here.

On balance I find that Admiral have fairly considered this claim before declining it - as the surveyor's report doesn't support an escape of water/insured event as Mr B has described.

Therefore, it follows that in the very specific circumstances of this claim they can fairly decline covering the trace and access costs.

Mr B has raised a valid point in a recent email about although there being 'minimal damage' - there was still damage. For clarity, it may well be the case that another cause has resulted in the symptoms seen here - high readings on the damp meter and the general damp smell Mr B has described. But I'm only considering the loss event as it was presented to Admiral and I find that they have fairly considered the claim before declining it.

Other relevant points

- For completeness, I've considered Mr B's recent points about Admiral's website. I view Admiral's website as primarily a marketing tool. Although, it does have policy holder specific information on it too. What I'm primarily considering here in my decision are the policy terms. I've seen no evidence that Mr B took this policy out based on the website information. In any case - that would be a separate complaint event.

In summary, the marketing literature is correct around what the *intention* of trace and access is. But the policy terms have been fairly relied on here by Admiral when declining this claim – trace and access is covered if there is resulting water damage/an insured event that is also covered. I find that Admiral have shown that the damp readings in multiple areas, observed a few months after being first notified are not consistent with the escape of water event described by Mr B.

- In Mr B's complaint letter he has also referred to being penalised for stopping using the bath. I don't agree with this statement. Not using the bath where Mr B believed doing so might possibly cause further damage was the responsible thing to do. Based on the call note referenced earlier in the decision, on balance I'm satisfied that it was made clear to Mr B that trace and access would be covered only where the resultant damage was also covered.
- There's no doubt that this claim has went on for much longer than either party would have liked and Mr B was deprived of the use of his bath whilst matters were in dispute. Our Investigator recommended that Admiral pay Mr B £150 for any distress or inconvenience caused by how they'd handled things. I find this broadly fair and reasonable. It's my understanding that Mr B has been paid this compensation already and it doesn't form part of any direction in this decision.

My decision will disappoint Mr B, but it brings to an end our Service's involvement in his dispute with Admiral.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 March 2024.

Daniel O'Shea
Ombudsman