

The complaint

Miss K and Mr S have complained that Financial & Legal Insurance Company Ltd (F&L) unfairly declined a claim under their home emergency insurance policy and caused damage to the property.

Any reference to F&L includes its agents who handled the claim.

What happened

Miss K and Mr S had a home emergency policy with F&L. Mr S contacted F&L after a leak developed from an external water pipe in the front garden. F&L sent an engineer to the property that day. The engineer reported that the ground would have to be excavated to get at the water pipe. F&L told Mr S that ground excavation wasn't covered by the policy.

After Mr S challenged this during the course of very many phone calls over the next few days, F&L agreed that ground excavation work was in fact covered by the policy. It instructed a contractor to arrange excavation and fix the leak. After Mr S complained about its poor service, it also agreed to pay him £95 compensation.

The contractor dug up a section of Mr S's front garden. In doing so it broke about 12 small tiles on the path. Mr S says they wouldn't have been broken if the contractor had lifted them out with a chisel. The contractor found that the water leak was from a lead pipe. It said repairs to lead pipes weren't covered by the policy. The ground was made good with back fill and concrete but the tiles were not replaced.

Mr S later spent about £1,000 on having the necessary works carried out.

Miss K and Mr S brought their complaint to this service. Our Investigator recommended it be upheld in part. He thought F&L should pay them an additional £105 compensation for poor service, making a total of £200. He was satisfied that the policy terms didn't cover the cost of repairing or replacing lead pipes. He didn't think F&L needed to do any more under the policy terms in respect of making good.

As Miss K and Mr S didn't agree, the matter has been 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.

I've considered Miss K and Mr S's policy document to see what cover is provided. It covers (amongst other things) leaks from external water pipes. However, there is an exclusion in the policy for:

“Repair work to or the cost of replacing lead pipework.”

It is not an unusual term in this sort of policy. It is clearly set out. So I do not think F&L acted unfairly in relying on it to decline the claim.

I can understand why Mr S would have preferred F&L's contractor to have tried to lift up the tiles laid on the path instead of just breaking them up. But from what I've seen on photos, they were concreted in and it seems to me unlikely that the majority could have been lifted intact and therefore been salvageable. So I can't say they were at fault.

So far as reinstatement works are concerned, the policy also doesn't cover:

"Reinstatement costs relating [to] the original surface, or construction of a drive, path, decking or any other surface which is excavated as part of a claim.

This means that F&L isn't liable to reinstate the tiles on the path.

Unfortunately for Mr S there's no evidence to support his assertion that he was told by F&L's call handler that *"the repair would happen no matter what"*. F&L couldn't trace the call and the person concerned has now left the company. On balance I think there might have been a misunderstanding on Mr S's part as the email from that person to Mr S said:

"As discussed in our call I have chased through the required excavation works with our Underground Services Team. I would expect they will be in contact shortly. I have expressed that you of course wish that the works are completed this week."

That suggests the call handler was referring to the *excavation works* which did take place rather than giving an assurance that the *leak* would be fixed.

Where F&L did fail Miss K and Mr S was in giving incorrect information about the excavation works not being covered. Mr S also shouldn't have had to spend so much time emailing and phoning F&L which was unnecessarily stressful for him and could have been avoided if F&L had been clear about the policy terms from the outset. I agree with our Investigator that a further £105 is appropriate to compensate Miss K and Mr S for the trouble and upset caused by that.

My final decision

For the reasons set out above, I uphold this complaint in part and require Financial & Legal Insurance Company Ltd to pay Miss K and Mr S compensation of £105 for the trouble and upset it caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K and Mr S to accept or reject my decision before 12 April 2024.

Elizabeth Grant
Ombudsman