

The complaint

Mr M complains about Accredited Insurance (Europe) Ltd ('Accredited') declining his property insurance claim.

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

What happened

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

Mr M had a property insurance policy. On 6 March 2023, Mr M noticed a problem with his sewage/drainage system - resulting in sewage entering into his garden. He arranged for a local contractor to look into the issue. They suspected the problem was caused by root systems near or around the pipe connecting the pump station to the main sewer pipe. They arranged to excavate the problem area.

On 13 March 2023, Mr M notified Accredited that he wanted to make a claim under his insurance policy. As Mr M had already appointed a contractor to investigate the cause, Accredited asked that he send them some further information. Accredited reviewed the information and concluded (based on the evidence at that point) that the loss event was likely caused by the root system. They told Mr M the policy wouldn't cover such a scenario as it would have occurred over time, rather than there being a one off, non-foreseeable event.

Accredited offered a quotation to have the works done privately - not through the contract of insurance. As Accredited couldn't guarantee an engineer for two weeks, Mr M chose to have the repair works carried out privately himself.

Mr M raised a complaint with Accredited about the claim decline and as he remained unhappy with their response, he referred it to our Service for an independent review. Our Investigator recommended that the complaint be upheld. As Accredited didn't agree, the complaint was then referred to me for a decision. I recently sent both parties a copy of my provisional, intended findings and have reconsidered the complaint for final decision, following responses from both parties.

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.

Mr M provided some comments on my provisional decision which don't materially affect the outcome I reach here. But I acknowledge he is disappointed. Therefore, my findings remain largely the same.

The main focus of my decision is whether Accredited have fairly and reasonably investigated and considered the complaint before declining it in line with the policy terms.

The declined claim

Initially, prior to excavation, Mr M's contractor suspected that the leak had been caused by tree roots. They said in an email dated 13 March 2023:

*"From my expert opinion where the pipe is in comparison to the garden and the trees in the area **the trees have moved the pipe which has caused the movement to occur** [bold added for emphasis by Ombudsman].*

All the ground near the damaged area is compact with roots.

This will require an excavation to remedy the problem and all the roots cut away from the pipe work for the repair to be carried out."

Mr M has said that the contractor told him verbally that it could be anything from pipe degradation to tree roots seeking moisture - but they wouldn't know until they dug it up. I find this to be fair and balanced and a better working hypothesis than the above email.

On 15 March Accredited stated:

*"The cause of damage is the roots themselves, these have **grown gradually putting force on the pipe gradually**" [bold added for emphasis by Ombudsman].*

Accredited repudiated the claim, stating:

*"As the cause of damage has been listed as **ground movement due to root ingress** [bold added for emphasis by Ombudsman] and there is no evidence of accidental damage, the claim has been repudiated".*

From the above, it's clear that both Accredited and Mr M's contractor suspected tree roots were the cause of the damage. For clarity, root ingress is generally accepted to mean roots making their way into a pipe and causing damage, crack, leaks or blockages. This is different to roots growing over time and applying pressure or causing movement to the pipe or joints. Accredited told our Service after the complaint was referred:

"Following a technical review of the damage, our Surveying Team have advised that this is not a one-off event and has happened gradually over time.

***It is clear that root ingress** [bold added for emphasis by Ombudsman] is the cause of damage and that this happens gradually, therefore cannot be considered as one-off accidental damage peril."*

Whilst I don't find the above position to have been unreasonable based on the evidence available *at that time* – as it's very unlikely tree root growth occurred in a very short space of time and caused this damage as a one off event, the likely proximate cause changed here after complaint referral. I'll address this in the next section.

I don't find the interchanging of root ingress within the pipe and pressure applied to the pipe

by roots to be helpful. And it's disappointing that it wasn't until my provisional decision went out that Accredited cleared up the picture around why exactly they declined this claim.

In all likelihood, any root movement will have been over time and will have eventually reached a tipping point which resulted in the pipe moving. But as outlined in my previous provisional decision, Mr M will not have been aware of this happening.

Developments since complaint referral

Accredited will be well aware that our Service will generally only consider the complaint events up until the point of referral to our Service. In this case, the claim decline for tree root damage. But in the specific circumstances of this complaint, I will consider what has occurred since referral - as it's relevant to the overall claim outcome and Accredited have already had time to consider the further evidence. Typically any further claim decline reasons would need to be communicated to the complaint and then a further, new complaint raised before our Service could consider them.

Mr M told us after complaint referral:

*“Once they had cleared the area and dug out the area where the pipe connects to the sewerage tank, they noted that the connected joint, which is plastic and screwed together **hadn't been displaced by roots, but the connecting fitting popped out, probably through vibration** [bold added for emphasis by Ombudsman] like a lorry going past.”*

This changes things as it removed the tree roots as a likely cause. This is further supported by an email from Mr M's contractor dated 18 July 2023 which stated:

*“Due to the size of the new pump that was installed previously the year before **the vibration from the pump on the solid pipe work it is very likely to of caused the connection to the union loosen and eventually come apart. There is quite a lot of ground vibration from the heavy duty vehicles** [bold added for emphasis by Ombudsman] that pass by closely too the property that would also add to the ground vibration & movement.*

*As **this had been happening for a while before it was noticed** [bold added for emphasis by Ombudsman] the pipe work had to be replaced.”*

Accredited still declined the claim for these reasons, relying on gradual causes, over time to decline the claim under the accidental damage part of the policy.

Accidental damage cover

I've then considered the policy definition for accidental damage:

“Sudden, unexpected and physical damage which:

i. Happens at a specific time; and

ii. Was not deliberate; and

iii. Was caused by something external and identifiable”

I'll now address each part of the definition to determine if Accredited have acted fairly and reasonably when considering the claim before declining it. For clarity, under this policy, for a

claim to meet the AD definition, parts 1-3 must all be fulfilled – not one part in isolation.

- The damage symptoms were sudden and unexpected. Mr M only became aware of a problem after the leak occurred.
- This damage didn't occur at a specific time (1) that can be determined, as the damage occurred underground and Mr M only became aware when he saw the leakage.
- The damage wasn't deliberate (2).

I acknowledge Mr M drew attention recently that the evolving nature of the evidence surrounding the cause of the damage to his property. The likely cause has still not been identified (3) and four separate causes have been given.

As it stands, Mr M's contractor says it's likely vibration from the pump *and/or* passing traffic are responsible - but it hasn't been helpful that the proximate cause has shifted dramatically during the course of this claim. The policy wouldn't generally respond to an installation issue and the comments from Mr M's contractor after complaint referral moved the proximate cause away from tree roots and towards vibration from traffic and/or the pump itself.

Any issue potentially with the pump installation would need to be pursued outside of this insurance policy with the installer. If the vibrations from the pump were sufficient to dislodge the pipe from the joint, I'd have expected this to have occurred shortly after the pump was installed around one year previously. Instead, this leaves the likelihood open that gradual vibration over time has led to the inevitable dislodging of the pipe from its' joint.

Likewise, Mr M hasn't shown with supporting evidence that a one off vibration/movement from passing traffic would be sufficient to dislodge the pipe. The approximate distance to the road doesn't support a one off event. In any case, similar to the pump vibration cause, it seems more likely that any traffic vibration would have affected the pipe over time rather than as a one off event. And no supporting evidence has been presented of the level of vibration from a one off traffic vibration event being sufficient to cause the loss being claimed for here.

I have considered Mr M's recent comments where he feels the AD definition *has* been met, but, unfortunately for Mr M - I still find Accredited can fairly decline the claim for accidental damage in the very specific circumstances presented here - as the claim circumstances don't meet the policy definition for accidental damage, based on the evidence presented.

Mr M also said "*the suggested alternative causes, such as vibration from the pump and passing traffic, are likely but unsubstantiated assertions, or to phrase it another way, accidents happen.*" I have carefully considered this, but I'd have to disregard the contractor's opinion and we'd be back to part 3 of the AD definition where the 'identifiable' part wouldn't be satisfied.

This means I won't be directing Accredited to cover Mr M's repair costs. I know this will of course be very disappointing for Mr M, but I thank him for his responses and courtesy towards our staff throughout this complaint.

Other relevant points

- I acknowledge that it was positive of Accredited to try and negotiate a cheaper repair

cost for Mr M based on what their private cost of works would have been. But Mr M went ahead and booked his own contractor after Accredited told him on 14 March 2023:

“As you have advised that the repairs are quite urgent and you are unable to wait 2 weeks, we would advise you approach a contractor privately to assist.”

- Mr M incurred trace and access costs whilst trying to locate the source of the leak. Accredited have agreed that as a gesture of good will, they will reimburse Mr M for these costs (£570). I consider this fair and reasonable.
- I still find that Accredited could have handled this claim better and award £100 for any trouble and upset their actions have caused Mr M. I'm considering the overall actions of Accredited and their offer to pay the trace and access costs. I have to consider their actions in the rounds - as an argument could be made that they don't need to cover these costs under the policy terms due to where the pipe was located.

Putting things right

Accredited Insurance (Europe) Ltd need to*:

- Pay Mr M £100 in recognition of the impact of their action when handling this claim.

**Accredited Insurance (Europe) Ltd have also agreed to pay Mr M's trace and access costs (£570) as a gesture of goodwill. This doesn't form part of my direction.*

My final decision

I partially uphold this complaint. Accredited Insurance (Europe) Ltd need to follow my direction, as set out under the heading 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2024.

Daniel O'Shea
Ombudsman