

The complaint

Mr H and Mrs H complain that following a leak at their home Royal and Sun Alliance Insurance Limited declined to cover the cost of replacing the pipework that supplies their central heating and cold-water system. They feel the leak from their hot water supply system caused damage to the other pipes and they think RSA hasn't acted fairly in rejecting the claim to replace these. They'd like the cost of replacing the pipes to be covered as part of their escape of water claim.

What happened

Mr H and Mrs H have household buildings and contents insurance with RSA. In early April 2023 they discovered a leak in their home which was traced to underfloor copper pipes laid in screed flooring. They submitted a claim to RSA which was accepted.

Mr H and Mrs H are generally happy with how their claim was dealt with by RSA. But they're concerned about the condition of the copper pipes, which their plumber advised had been compromised. To prevent further leaks they decided to replace all the copper piping and want RSA to cover, or contribute, to the cost. They feel that this should be covered by their policy and would prevent further potentially expensive claims.

Mr H and Mrs H raised a complaint when RSA wouldn't agree to cover the cost of the replacement pipework which wasn't upheld. In their final response letter dated 3 June 2023 RSA said that Mr H and Mrs H's own plumbers had confirmed that the copper piping wasn't installed correctly when originally laid. And it hadn't been sufficiently covered, in hessian or another appropriate wrapping, before concrete screed was laid over it.

RSA also said that while their policy covers damage caused by water escaping from fixed water systems, it doesn't cover damage caused to the appliance or system which the water escapes from. And it excludes any damage resulting from poor or faulty design, workmanship, or materials.

RSA had previously told Mr H and Mrs H that their policy doesn't cover any preventative works, as it's a transferable risk policy, rather than a maintenance policy.

Unhappy with RSA's response to their complaint Mr H and Mrs H complained to our service. When doing this they told us they were concerned that RSA had dismissed their complaint without doing any investigation. And due to the situation with the plumbing in their home they felt they had no choice but to arrange to replace the pipework on the ground floor of their property in its entirety, and this is something they think RSA should pay for in part, or whole as part of their ongoing claim.

They also told us that as this work has been ongoing this has revealed that the original pipework was probably installed correctly, with protective covering as required by the building regulations at the time. They say that the work carried out by their plumbers revealed a further leak in the screed concrete, which through reaction with the copper has weakened the pipes of the adjacent water systems.

So they say RSA have just fixed the cosmetic damage the first leak caused and it would only be a matter of time before there was another leak. And RSA have treated the symptoms of, rather than the cause of the problems. It's their view that RSA should pay the costs of replacing the damaged pipes from the leaked system, which should be covered by their policy. Mr H and Mrs H also say they can't reasonably be liable for maintenance of the various water systems buried in 50mm of screed concrete.

Mr H and Mrs H have provided a copy of a leak detection report they obtained dated 11 September 2023, although the engineer attended their property on 11 April 2023. This confirms that the source of the leak was in the hot water pipework and there was no evidence of a leak from the cold-water pipework. The report states that repairs were carried out to the source of the leak and details the work required to the property due to the damage caused by the leak.

Due to the impact of the water damage, along with what he describes as the well-known reaction between lime in the screed concrete and copper pipes, the engineer who prepared the report recommended pipe replacement to minimise the risk of future leaks.

RSA have told Mr H and Mrs H that their policy doesn't cover damage to the system the water escaped from. But Mr H and Mrs H say they have three separate water systems in their home, the hot water system, the cold-water system and the central heating system. And as the leaking hot water system caused damage to the other systems, replacement of the damaged systems should be covered under their policy.

Mr H and Mrs H have also provided an undated letter from their plumber which states that the leak from the hot water system pipework had accelerated the degradation of all the copper pipework in the vicinity of the leak. He says it's well known that pipework buried in screed is susceptible to breaking down and recommends the pipework in the screed should be replaced to prevent further issues.

Our investigator provided copies of the reports obtained by Mr H and Mrs H to RSA for their comments together with copies of relevant photographs of the damaged pipework. When providing this information he stated that RSA had referred to poor workmanship. But they'd not provided any evidence to show that the pipes were installed incorrectly at the time they were laid, or evidence that the building regulations were breached. And without such evidence he wouldn't agree that poor workmanship could be a reason to decline the claim.

RSA's technical team considered the evidence provided and accepted that the pipes appeared to be wrapped and protected in accordance with the NHBC guidelines. So they said they wouldn't apply the faulty workmanship policy exclusion, which had originally been applied as Mr H and Mrs H's own contractor had said the pipes weren't wrapped as they should have been.

Having said this RSA maintained that the remaining copper pipes aren't cover by the policy. As the policy excludes:

'Any loss, damage, liability, cost or expense of any kind directly or indirectly caused by or resulting from – wear and tear, fading, corrosion, rusting, damp, decay, frost, fungus mould, condensation or deterioration, or anything that happens gradually over a period of time.'

They say the first leak wasn't caused by an outside event, but by a general failure of the pipes. And that common sense says that if one pipe was in such a condition that it leaked, then the remaining pipes laid at the same time and exposed to the same conditions, were in the same condition.

They go on to say that copper pipes are designed to be continuously exposed to water, so it's difficult to understand how external water exposure for a short period of time, compared to the time they've been exposed to water internally, would have a significant effect. They contend that the pipes had reached the end of their usefulness at the time of the first leak.

But they say if it was accepted that the remaining pipes became degraded in part due to water escaping, and in part due to the process of the copper breaking down, which they say isn't a logical conclusion, then there would be more than one cause: -

- i) Naturally occurring corrosion, which is gradual, and not covered by the policy; and
- ii) Water escaping which has accelerated the natural process of corrosion.

And they say that legally where there are two or more causes operating concurrently, if they are interdependent and neither would have caused the loss without the other, where one is a peril and the other an exception, the exception prevails.

So RSA say that if it's accepted that the effects of the water escaping from the first leak joined with the effects of the reaction between copper and concrete, and accelerated that reaction, all they have accepted is that there were concurrent proximate causes. And as two are excluded and one covered the claim fails.

Our investigator then considered the case and provided his opinion. He said that initially RSA declined to cover the pipework because Mr H and Mrs H's plumber had said it wasn't properly installed when originally laid. And they said that the policy doesn't cover damage to the system which the water escapes from – only the resultant damage.

Mr H and Mrs H provided two expert reports from the leak detection and subsequent plumbing visit and photos and videos of the exposed pipework. RSA hadn't seen these but when they did, they acknowledged there wasn't sufficient evidence to determine poor workmanship. But they provided other reasons why replacement of the pipes wasn't covered by the policy.

Our investigator said he was persuaded by what RSA had said and that Mr H and Mrs H's policy wouldn't cover their claim. He said that while the escaping water may have exacerbated the deterioration of the pipework, which has now been replaced, it wasn't something caused just by the escaping water, so he couldn't say their escape of water claim should include the cost of replacing the deteriorated pipework.

Mr H and Mrs H didn't accept our investigator's opinion. They said that RSA are now saying their claim wasn't covered because the policy doesn't cover deterioration, wear and tear or anything that happens gradually over time, and because it doesn't cover instances where there are two proximate causes.

In respect of the policy not covering deterioration, wear and tear or corrosion they say their claim is for damage done by an escape of water affecting another system which their policy covers. If deterioration, wear and tear or corrosion was a prominent cause of the damage to the pipework, then it would be logical to assume all the ground floor pipework would have suffered the same degree of degradation. But when the pipework was being replaced, a section of pipework from an area not affected by the escape of water was recovered, and this was in undamaged and in good condition. So they say it's reasonable to argue that the escape of water was the substantial cause of the damage to the pipework.

Given the comments RSA made about the effect of external water exposure on copper pipes designed to carry water, Mr H and Mrs H suggest that RSA haven't understood what caused

the pipes to fail. They say their experts have said the damage was caused by the original escape of water mixing with lime in the concrete screed causing a chemical reaction and damaging other pipes. And they say there is much literature online to support this as the cause of the damage.

Mr and Mrs H also say that the deterioration is due to the external reaction of the escaped water with the lime present in the screed concrete. Where no water is present they say they've been told the copper pipes should last 40 to 50 years. So they maintain the escape of water from one of their systems has caused damage to the copper pipes from their other systems, which should be covered by their policy.

In respect of RSA's argument about concurrent proximate causes, Mr H and Mrs H don't agree that there are multiple causes of the damage to their pipework. They say that the escape of water is the single cause which substantially damaged their other water systems. So considering proximate causes, where one is covered and the other isn't, is unreasonable, and has been applied unfairly to avoid their claim.

They say that their policy says they are covered for water escaping from fixed water or heating systems with the exclusion that the system causing the damage is not covered. So they maintain that RSA should cover two-thirds of the cost of the pipework renewal.

Our investigator considered what Mr H and Mrs H had said but didn't change his opinion. He said he didn't think there was enough evidence to show that the damage to the pipework they felt ought to be replaced as part of their claim was caused (not exacerbated) by the initial escape of water.

He said that their experts had said "Upon inspection, the initial water leak on the hot water system pipework in the reception area at the property, was found to have accelerated the degradation of all other copper pipework in the vicinity". And the recommendation to replace all pipework, including that not affected by the escape of water, being necessary to prevent any further issues, in his opinion supported that the escape of water didn't cause the issue, it accelerated it.

The case has now come to me for a 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.

RSA have accepted Mr H and Mrs H's claim for the damage caused to their property following the water leak which occurred in April 2023. They're happy with how this has been dealt with, but don't accept RSA's decision not to cover, or contribute to, the cost of replacing the pipework that supplies their central heating and cold-water systems.

What the parties have said is set out above but essentially Mr H and Mrs H say that the leak was from their hot-water system and while their policy doesn't cover repairs to the system which caused the leak, it covers other systems that were damaged. So RSA should cover the cost of replacing the pipes relating to their cold-water and central heating systems, which have been damaged by the leak, as this will prevent the risk of future claims arising from further leaks.

The policy terms and conditions say that it covers "damage to your buildings caused by water escaping from fixed water or fixed heating systems". But it excludes cover for "damage to the system which water escapes from, unless that damage was caused by freezing." So it

covers the damage caused by leaks, but not the leak itself, this is a fairly standard condition in household insurance policies.

Looking at the reports provided by Mr H and Mrs H the leak detection report recommends replacement of all the copper pipework. It says “Due to the impact of water damage, along with the well-known reaction between lime in the screed concrete and copper pipes, I recommend a pipe replacement to minimise the risk of future leaks.”

While I can understand that having received this report Mr H and Mrs H would want to replace all the copper pipework, especially given the damage and disruption to their lives caused by the leak, replacement to prevent further damage isn't covered by their policy.

The other evidence Mr H and Mrs H have provided is an undated report from their plumber. This says that the initial leak from the hot water system was found to have “accelerated the degradation of all the other copper pipework in the vicinity.” And that when pressure testing the cold-water system they found pitting and corrosion in various areas. The report goes on to say that this damaged pipework was “definitely caused by the reaction of water and lime vs copper from the initial hot water system leak.”

The report doesn't provide any details of the extent of this further damage or where it was positioned in relation to the initial leak. And it refers to the initial leak accelerating the degradation of the pipework, rather than causing it. As the initial leak detection report has said, it goes on to recommend that all the pipework in the screed should be replaced, to prevent further issues.

Based on the evidence I've seen, and I've considered what both parties have said about this, I don't think I can reasonably conclude that the initial leak was the sole cause of any damage to the copper pipework relating to the hot water and central heating systems. On this basis I'm not persuaded that the damage is covered by Mr and Mrs H's policy.

I've taken into account that both expert's reports Mr H and Mrs H have provided recommend replacing all the copper pipework to prevent further damage. So the pipe replacement was proposed as a preventative measure, to protect against further leaks, rather than replacement being required due to an actual leak. The reports also say that the leak may have accelerated degradation of the pipework.

The policy doesn't cover “Any loss, damage, liability, cost or expense of any kind directly or indirectly caused by or resulting from wear and tear, corrosion or deterioration, or anything that happens gradually over a period of time.” So while I understand why Mr H and Mrs H decided to replace all of the pipework I'm satisfied that the cost of this isn't covered by their policy, so it's not something I can ask RSA to pay or contribute towards.

But if Mr H and Mrs H can provide evidence that the second leak was caused by the first one, then I'd expect RSA to consider this.

My final decision

For the reasons set out above my final decision is that I don't uphold Mr H and Mrs H's complaint about Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 6 June 2024.

Patricia O'Leary

Ombudsman