

The complaint

Dr M and Ms Y are unhappy with the decision made by U K Insurance Limited trading as Direct Line (UKI) following a claim for escape of water under their home insurance policy.

Dr M and Ms Y are both parties to this complaint. Dr M has primarily dealt with this service. For ease of reference I have referred to Dr M throughout this final decision.

UKI is the underwriter of this policy. Part of this complaint concerns the actions of the agents involved in the claim. UKI has accepted it is accountable for the actions of agents involved in the claim. In my decision, any reference to a company instructed during the claims process, includes UKI.

What happened

I set out the background to Dr M's complaint in the provisional decision I issued on 20 March 2024, but I'll set it out again below.

Dr M took out home insurance with UKI which included cover for escape of water. The endorsement section in the policy schedule included the following clause:

Extended unoccupancy clause

During the period your home is unoccupied (as defined in the policy):

A. The exclusions of loss or damage caused by theft or attempted theft, vandalism or malicious acts, escape of water or oil or damage to the plumbing installation by freezing after your home has been unoccupied for more than 60 consecutive days shall not apply provided that:

1. All doors and windows are closed and all locks bolts and other protective devices put into operation

2. Your home is inspected weekly

3. a) In the period the 1st October to 31st March inclusive:

the water system is turned off at the mains and drained or, if the home is centrally heated, the central heating system is left on at all times to maintain an air temperature of not less than 10C(50F)

In December 2022 Dr M contacted UKI to register a claim following damage to his home. Dr M explained whilst abroad, he was informed of a burst pipe in the loft. It had been discovered by his housekeeper during an inspection of his home.

UKI arranged for company S to investigate Dr M's claim, and to check that the policy terms had been met. As part of this process, Dr M sent information relating to his energy usage for

the months preceding the date of the incident. In March 2023 UKI informed Dr M that because the policy terms hadn't been met, it wouldn't be paying for Dr M's claim.

UKI said this was on the basis that there wasn't enough evidence to support that Dr M's home had been inspected once a week, the water system had been turned off at the mains and drained, and the central heating system had been left on at all times to maintain an air temperature of not less than 10C. Dr M was unhappy with this response, and brought his complaint to the Financial Ombudsman service. Dr M provided this service with a copy of a report from a third party plumbing specialist (company B) which concluded that:

In my opinion [company S] have used the wrong dates to assess when the burst occurred.

Based upon my knowledge of over 50 years in the industry the burst occurred on or around the 18th December 2022.

It is irrelevant whether the central heating was left turned on or not, the burst pipe was not protected by the boiler. The burst pipe was within the roof space which in effect was outside the property.

The investigator found that UKI hadn't acted reasonably in applying the policy endorsement terms for declining Dr M's claim, and asked UKI to reassess Dr M's claim on the basis that Dr M had followed the extended occupancy endorsements on the policy. UKI rejected these findings, saying that the endorsement was not complied with and that the decision to decline the claim was correct.

As the complaint couldn't be resolved it has been passed to me for decision.

I issued a provisional decision on Dr M's complaint. This is what I said about what I'd 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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided.

Claim decline

I've seen that the main point of dispute in this complaint is whether the extended unoccupancy clause relating to turning off and draining the water system, and the minimum temperature endorsement, has been complied with. I've considered whether UKI has acted fairly and reasonably in applying these terms. And I am persuaded it has. I'll explain why.

In respect of draining the water, UKI say Dr M had initially advised that the heating had been left on frost protection setting. This means that should the temperature drop below 8°C the boiler would automatically switch on. However a few days later, Dr M explained that the water system had been drained, and that the heating was left on at a constant of 10C.

UKI has provided images of the damage caused to the area that was impacted by the escape of water. This shows substantive cracks across the ceiling area. UKI say this damage is consistent with the amount of water that would've escaped from the size of water tank present in Dr M's loft. I've reviewed the images referred to by UKI. Given the scope of

water damage evidenced by the images, I'm satisfied it was reasonable for UKI to go on to consider compliance with the minimum temperature endorsement.

I've seen that the minimum temperature endorsement explained '3. a) In the period the 1st October to 31st March inclusive: the water system is turned off at the mains and drained or, if the home is centrally heated, the central heating system is left on at all times to maintain an air temperature of not less than 10C(50F)'

The report provided by the third party plumbing specialist (company B) identified 'Based upon my knowledge of over 50 years in the industry the burst occurred on or around the 18th December 2022.' I've used this date as the likely date the burst pipe happened.

I've reviewed the weather records for the two weeks preceding 18 December 2022 (4th to 18 December 2022). We refer to industry recognised weather records to check details of the weather reported on and around the date of claim. This data gives accurate and representative data of weather conditions, including temperature, at any given time. I've seen that the minimum temperature remained below zero from 7th December up to 18 December. The maximum temperature for this two week period remained 8 degrees or below every day. For the period between 11 and 17 December, the maximum temperature was 0.1, -0.6, 0.3, 0.8, 2.2, 3 and 4.9, respectively. So I'm satisfied outside weather conditions were close to freezing, or below freezing, in the days preceding the incident date.

I've reviewed the gas consumption for Dr M's home for the period 19th November to 18th December. And I accept this clearly shows some gas usage over this period- a total of £32.72. I've seen electricity charges for the same period total £51.76. I've considered carefully whether it's more likely than not that the gas usage for this period reflects compliance with the minimum temperature endorsement. And I'm not persuaded it does.

I've also seen that the maximum outside temperature was eight degrees or below for 19 out of the 29 days between the period 19th November to 18th December. So in line with what company B has explained about the built-in frost protection mode in Dr M's boiler, the boiler ought to have automatically turned on (at least for a period) during the 19 days when the outside maximum temperature was eight degrees or below. This is on the basis of the outside temperature directly impacting the temperature in Dr M's home. But the gas usage evidence also doesn't support that the central heating was on consistently on these dates.

Dr M has explained that he doesn't have evidence to support the thermostat setting due to the passage of time. And I accept that reviewing gas usage to determine compliance with a minimum temperature endorsement term is always going to be difficult. When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances. And based on what I've seen, on balance, having considered the outside temperature leading up to the date of the incident, the gas usage evidenced by Dr M alongside the minimum temperature endorsement requiring the central heating system to be left on at all times to maintain an air temperature of not less than 10C, I'm persuaded UKI's decision to decline Dr M's claim is reasonable.

Company B's report concluded that 'It is irrelevant whether the central heating was left turned on or not, the burst pipe was not protected by the boiler. The burst pipe was within the roof space which in effect was outside the property.' I've carefully considered these comments.

But I'm satisfied that the policy terms required that 'the central heating system is left on at all times to maintain an air temperature of not less than 10C(50F)'. These terms were in place

to protect a risk identified by UKI. I note company B also commented 'It also has to be considered that a well-insulated Property would prevent any heat whatsoever of any value from the rooms beneath entering the roof space thus preventing the pipe from freezing.' However the report doesn't go on to specifically comment on the level of insulation present in Dr M's home, and the impact of this on the frozen pipe which burst in the loft. I think it's reasonable to consider, more specifically, whether the evidence supports compliance with the minimum temperature endorsement terms. And I'm not persuaded it does.

I appreciate Dr M's disappointment with this outcome. This situation has clearly left Dr M feeling stressed, upset, and financially out of pocket. But I can't ask UKI to pay for the claim, given the evidence that's been provided, and what the policy schedule and endorsement terms explained about the circumstances in which cover wouldn't be provided. I haven't seen any evidence to persuade me that UKI's actions were wrong, or outside of the policy terms. So I won't be asking UKI to take any further action in settlement of Dr M's claim.

Claim delay

Dr M has also expressed disappointment with the general handling of his claim, and delay in informing him of the outcome. I've seen that there was a period of around three months between Dr M making UKI aware of the escape of water claim, and UKI informing Dr M of its decision to reject his claim.

I've seen that following notification of the escape of water incident, UKI arranged for a third party (company S) to deal with the claim. Company S began dealing with Dr M's authorised representative on the claim, and a site visit was booked as part of this process. Dr M also began looking for alternative accommodation.

As part of the investigative process, an interview set up with Dr M on 21 February 2023 to better understand the claim facts, and Dr M's version of events. I appreciate what Dr M has explained about the stress and inconvenience caused by this process. However, I'm satisfied that the actions taken by UKI were reasonable, and in line with what we'd expect for a claim of this type.

Before paying a claim, we'd expect an insurer to complete a thorough investigation, and be confident that the policy terms have been met. I can appreciate the upset and feelings of uncertainty caused to Dr M while waiting for UKI to complete its investigation, and for the claim outcome to be communicated. I've also considered what Dr M has explained about the impact on his young family.

But having considered the timescales, the type of claim, and actions taken by UKI, I'm satisfied the claim was handled reasonably. Although frustrating for Dr M, UKI's requests for additional evidence, and follow up interview, was reasonable, and in line with what we'd expect for a claim of this type. So although empathetic to Dr M, I won't be asking UKI to award compensation in respect of this part of his complaint.

The responses to my provisional decision

I invited both Dr M and UKI to respond to my provisional decision.

Neither party responded to my provisional 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.

I've thought carefully about the provisional conclusions I reached. As neither party has provided anything which would lead me to depart from this, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

For the reasons provided I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Dr M and Ms Y to accept or reject my decision before 17 May 2024.

Neeta Karelia
Ombudsman