

The complaint

Ms M's complaint is about AWP P&C S.A.'s handling of a claim under the home emergency section of her home buildings and contents insurance policy.

AWP P&C S.A. is the underwriter of this policy, *i.e.* the insurer. Part of this complaint concerns the actions of the agents it uses to deal with claims on its behalf. As AWP P&C S.A. has accepted it is accountable for the actions of the agent, in my decision, any reference to AWP P&C S.A. includes the actions of the agents.

What happened

On 14 December 2022, a pipe burst in Ms M's property causing flooding. The main water supply had to be switched off, so Ms M had no running water and no toilet or bathing facilities. The water damage also caused the electrics to fail, so she also had no heating, lighting or wi-fi.

Ms M contacted AWP to make a claim under her policy. AWP sent a plumber out on 17 December 2022 who said he was unable to repair the pipe, as he would need to cut into a supporting joist to access the burst pipe and this would not be covered under the policy.

As AWP did not carry out any repair, Ms M had to get her own plumber to replace the broken section of pipe. Once this was done, Ms M says she had drinking water and toilet and bathing facilities again. Ms M said she was worried about turning the electrics on again after this and AWP offered no assistance with this. Ms M says that she was eventually able to turn the electrics back on with the help of a friend.

Ms M complained to AWP about the handling of the home emergency claim.

AWP maintained its position that the necessary pipe repair was not covered but accepted there was a delay in the initial attendance. AWP offered Ms M compensation of £25 for the delay in a plumber coming out, which it said was due to demand at the time. It later increased this offer to £125.

Ms M remained unhappy with AWP's response to her complaint, so referred the matter to us.

One of our Investigators looked into the matter. She thought that AWP was entitled to refuse cover for the claim, as the policy excluded claims where work was required to access a damaged pipe, but recommended that AWP pay a total of £400 compensation for the delay in attending.

AWP confirmed it accepted the Investigator's assessment.

Ms M did not accept the Investigator's assessment. Ms M made a number of points in response to the Investigator's assessment. I have considered everything she has said but have summarise the main points below:

- She was abandoned by AWP when in need. It was impossible to contact AWP, each

- call taking around two hours to get through.
- The damage meant she had her teenage daughter had no basic facilities in the house for several days. The weather was minus 8 degrees at the time and they had to toilet into bags and dispose of it in bins until the pipe was repaired and the water was turned back on.
 - AWP's plumber said he'd need to cut the joist to get to the leaking pipe but this was not correct. Her plumber was able to replace the damaged part of pipe without cutting into anything.
 - The whole experience was traumatic for her and her daughter.

As the Investigator has been unable to resolve the complaint, it was passed to me.

I issued a provisional decision on this matter earlier this month. I have set out my provisional findings below:

"Was the pipe repair covered under the policy?"

The relevant parts of Ms M's policy with AWP said it would provide the following cover:

"Plumbing and drainage - Arranging attendance, and paying call out and emergency repair costs if failure of, or damage to the system will result in water damage inside your home..."

Uninhabitable accommodation cover - Reimbursement of overnight accommodation and transport costs if your home is uninhabitable as a result of an emergency."

The cover is subject to a £1,000 limit for "call out, labour and material costs and overnight accommodation". And the limit for alternative accommodation was £250 in total including VAT.

The policy also includes a general exclusion for "Any repair that requires trace and access works to be completed."

"Trace and access" is defined as: "the process of identifying and locating the source of the emergency or gaining the necessary access to resolve the emergency."

AWP says that because its contractor said a joist would need to be cut into in order to access the burst pipe, this means the exclusion above applies as this would be considered "trace and access" work.

Ms M disputes this. She says after being told this by AWP's contractor she called a plumber and a joiner out herself. The plumber was able to repair the burst pipe without cutting into the joist. The joiner then repaired the ceiling and installed new insulation.

I have considered the invoices Ms M has provided from both contractors. The plumber's invoice says he repaired the broken pipe and does not state he needed to do any other work to access the leak.

The joiner's invoice sets out the work he did, which includes removing the water damaged ceiling and coving and renewing the insulation, ceiling and coving and also refitting a damaged ceiling light. Again, there is no reference to cutting into a joist.

Having considered everything carefully, it seems to me Ms M has established the leak was repairable without trace and access. I therefore consider that AWP should have carried out the repair to the pipe under the cover of the policy. As Ms M had this done herself, AWP should reimburse the cost together with interest at our usual rate.

I do not consider the repairs to the ceiling and insulation are covered under this policy, as it does not cover reinstatement of water damaged areas. This would normally fall within the cover provided by a home buildings insurance policy.

Alternative accommodation

Ms M had no toilet facilities, no running water and no electricity or heating during an extremely cold period (she said it was minus 8 degrees at the time). There can be no doubt in my mind this would have been extremely difficult. The policy does not define what AWP considers would make a home uninhabitable. Having considered the conditions of the home at that time, I am satisfied it was uninhabitable.

The policy provides cover for overnight alternative accommodation up to a limit of £250 if the home is uninhabitable due to an emergency such as happened here. This cover is separate from the cover for repairs, so even if the repairs were not covered under the policy (which I do not accept for the reasons set out above) there was still cover for alternative accommodation. Ms M was not offered alternative accommodation while waiting for the initial attendance or afterwards. I think AWP should have offered this.

I will address how I think this error should be put right below.

Handling of the claim and compensation

Ms M had this home emergency policy in order to have peace of mind that she would get urgent help if a situation like the one that gave rise to this claim occurred. She had a reasonable expectation of a rapid response to this situation, which left her home uninhabitable.

Ms M had reported a significant leak to AWP, which meant she had no basic facilities in her home. However, it took three days before AWP's contractor came out to the property.

AWP says there was high demand for services. However, it did not offer Ms M alternative accommodation or the opportunity to get her own contractors and be reimbursed afterwards.

I do not consider a three day wait for an emergency plumbing appointment to be reasonable. This also meant Ms M and her daughter were living in the property with no basic facilities, including no drinking water, toilet facilities, heating or lighting for three days longer than they needed to. Ms M also says AWP were difficult to talk to and she as on hold for long periods.

When the contractor did attend, he incorrectly said the repair was not covered and Ms M had to get her own contractor anyway, which caused further delay in Ms M having the water services reinstated in her home.

Having considered everything carefully, I consider the sum of £500 is more appropriate compensation for this period of time and to reflect the impact of these matters on Ms M."

Responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

AWP and Ms M have both confirmed that they have nothing more to add.

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.

As neither party has added anything further, I see no reason to change my provisional findings. I therefore remain of the opinion that AWP unfairly refused Ms M's claim and caused her avoidable distress and inconvenience in the way it handled her claim, which should be put right by the payment of compensation and reimbursement of the repair cost she incurred.

My final decision

I uphold this complaint and require AWP P&C SA to do the following:

- reimburse Ms M the cost of the repair to the burst pipe of £140, together with interest at 8% simple per annum from the date she paid the invoice to the date of reimbursement; and
- pay Ms M the sum of £500 compensation for the distress and inconvenience caused by its handling of this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 12 August 2024.

Harriet McCarthy
Ombudsman