

The complaint

Mr and Mrs R have complained that Advantage Insurance Company Limited ('Advantage') declined their claim for damage following water leaks under their home insurance policy. For the avoidance of doubt, the term 'Advantage' includes its agents and representatives for the purposes of this decision.

What happened

Unfortunately, Mr and Mrs R's property suffered damage following three reported water leak incidents which occurred at their home between May and September 2023. They'd taken out home insurance with Advantage in May 2023 and reported the damage to Advantage.

Advantage declined the claim. It considered that some of the damage pre-dated the date on which the policy with Advantage was taken out. It also considered that the damage had been caused by sealant which had failed around the bath and shower.

Mr and Mrs R made a complaint to Advantage in December 2023 as a final response hadn't been issued by Advantage at this stage, however Advantage maintained its stance. Mr and Mrs R then referred their complaint to this service. Their previous insurer eventually paid the claim in relation to the first incident. The investigator upheld Mr and Mrs R's complaint in relation to the second and third incidents.

Advantage didn't agree with the investigator's view. In the circumstances, the complaint has been referred to me to make a final decision in my role as Ombudsman.

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.

The key issue for me to consider is whether Advantage applied the terms and conditions of the relevant policy in a fair and reasonable manner in declining Mr and Mrs R's claims. I've concluded that it didn't act in a fair and reasonable manner in all respects, and I've partly upheld Mr and Mrs R's complaint. I'll explain why.

Turning firstly to Mr and Mrs R's submissions, they said that they had three unrelated water leak incidents. Mrs R said that she was flabbergasted that in the space of four months, there had been so many separate unrelated problems, and had convinced herself that there had been a surge in water pressure.

Mrs R described the three events. The first started with a water stain which developed on the utility room ceiling. At that stage, she thought this related to the shower. At the end of May 2023, she'd received a quote from her plumber to re-seal the shower. Some work was carried out, but by mid-June 2023, there were signs of a more significant leak. The plumber cut a hole in the ceiling below and it was found that this leak was coming from a pipe leading to the bath taps and this was fixed, whilst leaving the hole and missing tiles around the bath.

Mrs R said that the leak immediately stopped after this work. She felt that although the shower wasn't the cause of damage, it still needed repairing and she replaced the enclosure.

Mrs R said the second event took place towards the end of July 2023 and she noticed a small stain and 'bubbling' on the ceiling. The plumber cut another hole in the ceiling. The leak was directly under the shower trap which needed to be replaced. Mr and Mrs R decided to live with the resulting damage. Mrs R said *'the source of the leaks had been fixed and these were nothing to do with sealant. I decided not to rush with any repairs to the holes in the ceiling because I wanted to continue to monitor, in case of any further leaks.'* Mrs R also said that they didn't have the means to pay for the repairs.

The third event described by Mrs R occurred in September 2023, when Mrs R noticed a small pool of water on the kitchen floor, and she realised that a drip coming from the light fitting. She noted water coming from the flexible hose that fed the upstairs toilet cistern and following some research, she was able to replace this. The leak had caused damage to the flooring however, under the linoleum floor covering, which was covered in black mould.

As for Advantage's report, Mrs R agreed that the bath sealant wasn't perfect but felt this would be found in most homes. She didn't understand how this could undermine the claim, when she said that the damage was unrelated. She also couldn't understand how the agent could categorically confirm that the shower sealant hadn't been replaced when she'd had a brand-new shower enclosure fitted.

I now turn to Advantage's submissions regarding the complaint. It had relied upon its agents' technical review which found that the first incident related the shower. It said that Mrs R's plumber had confirmed that the issue was due to failed sealant. It disputed that Mr and Mrs R's plumber had re-sealed the shower as claimed, and therefore thought that the escape *'was caused by failure of sealant and grout and then a failure to mitigate this.'* It said that its qualified industry professional evidenced that the sealant hadn't been repaired despite this being a means to stop the leak occurring and causing damage.

As to the second leak, Advantage's agent had confirmed that this again looked to be a leak due to failed sealant which would have been evident for some time with a failure to mitigate this. Advantage said that there was no evidence of a shower trap leak, just evidence of a shower trap being bought. It referred to inconsistencies in the policyholders' account. It considered that this issue had been present before the policy started, with *'apparent avoidance of fixing the sealant as recommended....'* Advantage said that there was no report from an independent plumber and no images prior to any repairs being carried out, or anything to prove there was a leak or that the trap has been repaired. It also said, *'it was clear that the leak from the failed sealant would continue to be an issue.'*

For the third leak, Advantage noted that the escape of water was from the cold-water feed to the cistern, and the agent confirmed extensive black mould and staining to the floor. Advantage said that this had been on-going for some time with no mitigation and would have been clearly visible. It was also likely to have pre-dated this policy. It considered that there was no evidence of a leaking pipe by way of images or of the pipework pre- and post-repair.

In summary, Advantage felt that it had been misled about the dates and issues which had emerged. It considered that these were pre-existing problems, and that failure of sealant was a key issue in this case.

I now turn to my reasoning for partly upholding Mr and Mrs R's complaints. The starting point for my consideration is the wording of the terms and conditions of the policy, as they form the basis of the contract between the insurer and customer. In this case, damage caused by *'escape of water'* is covered in principle. It's defined as *'water leaking from ...a fixed water,*

drainage or heating installation'. However, the policy has standard general exclusions that apply. It states for instance: *'Your insurer won't pay for...Any loss, damage, injury or liability as a result of an event which happened before this policy started.'* It also excludes damage *'caused by the failure or lack of grouting or sealant known to you or that you ought to have been aware of'* and also damage caused by *'general causes'* which includes *'wear and tear.'*

It's clear that Mr and Mrs R faced a number of plumbing issues at their property between May and September 2023 which will undoubtedly have caused considerable inconvenience, stress and upheaval. The events will no doubt have caused confusion and the fact that Mr and Mrs R changed insurers in mid-May 2023 has no doubt added to that confusion.

I agree with Advantage to the extent that the events in May and June are very likely to relate to matters which pre-dated the policy cover by Advantage. Mrs R accepted that she first thought, and had been advised, that a leak had been caused by failed sealant. Nevertheless, eventually, Mr and Mrs R's plumber to cut a hole in the ceiling of the utility room to discover that the cause of the problem had been a connecting pipe to the bath taps. I've no reason to dis-believe Mrs R's when she said that this resolved the problem. There have been no further claims regarding the utility room ceiling.

In any event, I've noted the positive outcome for Mr and Mrs R in that their previous insurer ultimately accepted the position and settled the claim relating to the first incident and this covered a significant portion of the damage associated with this claim. That settlement covered the ceiling damage to the utility room where a hole had to be cut, replacement of tiles, with there being no need to replace the flooring. In conclusion, I don't uphold this element of Mr and Mrs R's complaint against Advantage.

I now turn to the second incident. I've no reason to consider that this incident was linked to the first. The staining was in a different location and appeared a month later. This led to a second hole being created, this time in a bedroom ceiling and directly under the shower-trap. Whilst it's possible that failed sealant may have initially contributed to staining to the ceiling, I consider the most likely and predominant cause was a failed shower trap. I've seen evidence that Mrs R purchased a replacement and I've also seen the text exchange between Mrs R and her plumber which makes it clear that at the relevant time, Mrs R had originally suspected the sealant but had then noted something more serious occurring.

I've no reason to doubt what Mrs R says that the leak stopped once this work was carried out. I've seen no evidence of further claims by Mrs R of water damage at the relevant location. Bearing in mind that Advantage's agent said that there was no evidence of re-sealing, if it was indeed the case that re-sealing still hadn't been carried out, this strengthens the argument that it was indeed the shower trap that had caused the leak. I therefore uphold this element of Mr and Mrs R's complaint. I require Advantage to settle the claim for damage to the bedroom ceiling, subject to any excess.

Finally, with regard to the third incident, I've no reason to doubt Mrs R's account of what happened, and Admiral's agent confirmed the likely cause. I note that he states that, *'The heavy amount of black mould on the timber sub floor has developed as there has been constant moisture under the vinyl flooring building up over time, likely over many months from a slow leak and is not a recent incident.'* Bearing in mind that Mr and Mrs R had been pro-active in relation to the other leak incidents, I consider it unlikely that they were previously aware of an issue here and before they lifted the linoleum flooring around the toilet. On the balance of probabilities, I consider that this was a leak that post-dated Mr and Mrs R taking out their policy with Advantage. I don't consider that they could reasonably have been expected to mitigate a problem of which they were unaware until a leak appeared on the kitchen floor below. Again, I require Advantage to settle the claim for damage to the

W/C floor and floor covering and also restoration of the tile covering over the pipework, subject to any excess.

In conclusion, I appreciate that Advantage faced some considerable difficulties in trying to establish the timing of relevant events and the extent of its liability for the purposes of this claim. Nevertheless, I don't consider that Advantage adopted a fair and reasonable stance in relation to the two later incidents. I consider that this will have added to the stress and inconvenience experienced by Mr and Mrs R. In the circumstances, I agree with the investigator in this instance that Advantage must pay £150 compensation to Mr and Mrs R.

My final decision

For the reasons given above, I partly uphold Mr and Mrs R's complaint and I require Advantage Insurance Company Limited to do the following in response to their complaint:

- To settle Mr and Mrs R's claim for damage to the bedroom ceiling, the W/C floor, floor-covering and tiling, subject to the relevant policy excess on each claim, and subject to the remaining terms and conditions of the policy.
- To pay Mr and Mrs R £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 26 September 2024.

Claire Jones
Ombudsman