

## **complaint**

Miss B complains about Covea Insurance plc's handling of a claim made under her home insurance policy.

## **background**

In January 2013 Miss B discovered a leak in her bathroom which had caused damage. She made a claim under her policy. While this was being investigated, a separate leak was discovered. Then in June 2013, Miss B made a further claim for damage caused by a blockage in her shower.

Covea agreed to cover the damage caused by the escaping water, but it refused to repair the problems. It said they'd been caused by faulty workmanship, which was excluded under the policy.

Miss B was unhappy with Covea's decision and so brought a complaint to this service. She was also unhappy that she'd been charged three separate excesses. Miss B also complained that, despite Covea concluding that the damage had been caused by faulty workmanship, it hadn't pursued the contractor who originally fitted the bathroom for reimbursement of its costs.

Our adjudicator recommended the complaint be upheld in part. She thought Covea was only able to rely on the faulty workmanship exclusion for the shower blockage, and recommended that Covea deal with the repair claims for the two leaks. Because of the delays and inconvenience Miss B had experienced, the adjudicator thought Covea should pay £500 compensation. But the adjudicator thought Covea was right to apply three policy excesses to the claims. She also noted Covea had attempted to recover the money it had paid under the claim from the bathroom contractor, but hadn't continued with this action. She said did not think this was unfair.

Covea didn't agree with the adjudicator's recommendation to pay two of the claims, and so the complaint has been passed to me to review.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

### claims

#### *First claim*

In January 2013 Miss B noticed water damage in some rooms below her bathroom. An emergency plumber found that the leak had originated from her bathroom. After making a claim, Covea arranged for a loss adjuster ("Z") to inspect the bathroom.

Z said that several joists below the bath had been cut to allow the bath to be installed. It said these cuts weren't in line with building regulations. Z thought it was possible that connections under the bath had become displaced which resulted in the leak. It thought this was a combination of faulty workmanship or wear and tear.

Z also noted there was evidence of a previous woodworm infestation affecting the surrounding timber. It said that timbers can become weak because of this. And together with excessive notching of the timber, this could have resulted in the supporting platform for the bath suffering weakness. It said this could have caused the pipe movement which may have led to the leak.

Overall Z thought the workmanship (both joinery and plumbing) didn't reflect good trade practice and could be classed as poor.

So it seems to me that, whilst Z thought the overall workmanship regarding the bath installation was of poor quality, it doesn't actually know what caused the leak. The leak may have resulted from displaced pipe connections, but Z couldn't say for definite that this is what happened, or if it did, what caused this displacement.

The policy excludes faulty workmanship, but in order to rely on this exclusion, Covea needs to show that the leak was caused by this. Based on the available evidence, I don't think Covea has shown this. So I agree with the adjudicator that Covea should deal with the claim to repair this leak.

#### *Second claim*

When Z examined the bathroom in March 2013, it noted there had been a second leak from the shower. It said "...*the suggestion on site was that the shower had leaked over time.*" Z said there was some merit in this suggestion because there was mould growth on the wall to the rear of the shower cubicle. But it also accepted that the presence of mould growth can result from confined spaces where moist warm air gathers and releases water molecules.

It's not clear why the shower was leaking. Z hadn't found the reason for this. So I don't think it was reasonable for Covea to say that the leak resulted from faulty workmanship. Therefore it should deal with the claim to repair this leak.

#### *Third claim*

In June 2013, Miss B turned on the shower supply and left the bathroom. When she returned, the shower tray had overflowed. She made a further claim.

When Z assessed the claim, Miss B explained that an emergency plumber had fixed some issues with the waste pipes from the shower. Apparently there had been a blockage within the pipes, which had caused the shower tray to fill up and overflow.

Z examined the shower waste and noted that it didn't have a shower 'trap' fitted, as it should have done, which would have prevented back flow. It said the waste pipe work also had the potential to allow blockages to accumulate within the pipes. Z further noted that the waste pipes leant backwards which means that waste water from the shower didn't flow naturally into the main waste pipe.

It's accepted that the overflow problem was caused by a blockage in the shower waste pipe. Z thinks that the poor pipework installation would lead to blockages. On balance, I think it was reasonable for Covea to conclude that this claim resulted from faulty workmanship. On that basis, it was entitled to decline the claim.

### Covea's handling of the claim

Miss B says that Covea took 18 months to pay the settlement for the water damage it had agreed to cover.

I haven't seen any evidence that Covea delayed settling the claims for 18 months. Miss B notified Covea of the first leak in January. An interim payment was made in May after Z had assessed the damage. Further payments were then made in July and August and Covea's file was then closed.

Although it took over six months for the full settlement to be paid to Miss B, the water damage was quite extensive and further problems were discovered after the initial claim was reported. That being the case, I don't think Covea needs to pay additional compensation for the time it took to deal with these claims.

But I do think that Miss B was caused quite a bit of inconvenience by Covea's handling of the *repair* claims. She had to fund the repairs herself (after not being able to use her bathroom for a number of months) and started legal proceedings against the contractor who originally fitted the bathroom to try and recover her costs. She did this because of Covea's continued assertions that the damage was caused by faulty workmanship.

I understand that the majority of the repair work was carried out to fix the problems that had led to the two leaks (the damage caused by the shower blockage was minimal and the repairs were done by an emergency plumber). Given that there is little evidence to support Covea's opinion that the leaks were caused by faulty workmanship, I think a compensation payment is needed to reflect the inconvenience that was caused to Miss B. I agree with the adjudicator that £500 would be reasonable in the circumstances.

### policy excess

Miss B argues that as the claims were for problems that happened in the same room, then she shouldn't need to pay separate excesses. But the claims resulted from different causes and weren't connected. The first leak originated under the bath. The second leak was discovered once investigations had started on the first leak, and were thought to originate from the shower. The third problem was a blockage in the shower waste pipe.

So I think that as three separate claims were made for different problems, Covea was entitled to apply three policy excesses. I note that the damage caused by the third claim was less than the policy excess and so Covea didn't charge Miss B this excess or pay the claim. I think this was reasonable.

### recovery of claim costs

Soon after making her claim for the first leak, Miss B decided to start a legal protection claim under her policy against the contractor who fitted the bathroom. This part of Miss B's cover is underwritten by a different insurer, and that insurer decided not to start legal proceedings as it didn't think Miss B had a reasonable prospect of success.

Miss B then decided to start her own legal proceedings against the contractor. But she thought that Covea should have pursued the contractor for recovery of the claim costs. So she complained about this.

I assume that Miss B thought Covea's recovery of its claim costs might help her own legal action against the bathroom contractor.

I note that Covea did initially try to recover the money it had paid towards Miss B's claim. It contacted the insurer of the contractor who originally fitted the bathroom. After some delays, the other insurer said that Covea hadn't shown that the problems with Miss B's bathroom were caused by the contractor's negligence. I understand that Covea has since decided to stop its recovery action.

But as the adjudicator has explained, it is not for this service to tell Covea whether or not it should pursue the recovery action – this decision is up to Covea.

### **my final decision**

For the reasons set out above, my final decision is that I uphold this complaint in part. I require Covea Insurance plc to do the following:

- deal with the repair claims for the two leaks. As Miss B has already paid for these repairs, it should reimburse her directly. I note Covea Insurance plc says it has already paid £1,000 towards the repairs to try and help Miss B, and so if this is the case, it can deduct this from the settlement.
- add interest to the settlement at the rate of 8% simple per annum (less tax if properly deductible) from the date Miss B paid the invoice/s to the date of settlement.
- pay Miss B £500 compensation for the inconvenience she has been caused by its handling of the claim.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss B to let me know whether she accepts or rejects my decision before 6 July 2015.

Chantelle Hurn  
**ombudsman**