



Case study: Insurance

SEWAGE LEAKS INTO HOME DUE TO INSURANCE PROVIDER'S POOR CLAIM MANAGEMENT

Themes: Home emergency insurance; terms and conditions; incorrect advice; distress and inconvenience.

This complaint relates to the delays in completing a repair following an insurance claim and damage caused by the insurer's appointed contractors.

Mr G purchased home emergency insurance covering drains and waste pipes in March 2022. In April 2022, Mr G claimed for a blocked lavatory. Mr G's insurance provider appointed an engineer but declared there was a £300 limit for claims made within the first 90 days of the policy. Mr G believed correctly that this clause in his policy only related to boiler claims. The engineer attempted to remedy the blockage the next day but was unable to do so. He said there might be a damaged drain.

Mr G's insurer appointed an external drainage company to review the matter. They could not locate the fault and concluded that an external drain must have collapsed. They recommended extensive repairs costing more than the policy limit of £2,000 for drainage claims. Mr G contacted his insurer the next day as his lavatory had not been resealed correctly following their inspection and it was leaking. The contractor appointed to fix the lavatory discovered that an internal pipe had come loose. He said there was no problem with the external drainage and recommended a different repair.

Mr G regularly chased his insurer before they authorised the recommended repair. However, when flushing Mr G's drainage system, the engineers did not cap it correctly causing sewage to spill over into Mr G's house. The engineers did not have the equipment required to pump the sewage out of the property and it was left unresolved and unclean for two days. During this period Mr G regularly contacted his insurer but they delayed authorising the costs for the additional equipment the contractor needed to pump out the sewage. When the work was finally completed, additional sewage was spilled in Mr G's hallway, lavatory, and driveway which he was left to clean himself.

Mr G complained and his insurer offered to refund the policy excess and pay £200 compensation. They said that the repairs had cost more than the £300 claim limit as he had claimed within the first 90 days of the policy, but Mr G would not be charged the additional costs. Mr G reiterated that the £300 limit did not apply to his claim. He said most of the repair costs were caused by the appointed contractor's negligence. The insurer offered increased compensation of £500. Mr G rejected their offer and referred his complaint to CIFO.

CIFO investigated and found that it had taken numerous contractors several visits over three weeks to correctly diagnose and repair the problem. CIFO noted that Mr G's house was damaged, he had to constantly chase his insurer for updates and they had incorrectly advised Mr G of the policy

terms and conditions on several occasions. CIFO upheld the complaint, and recommended additional compensation of £2,000 for the distress and inconvenience the insurer's poor handling of the claim caused.