

The complaint

Mr and Mrs E complain about how Admiral Insurance (Gibraltar) Limited dealt with their claim following an escape of water in their home.

What happened

Mr and Mrs E have household buildings and contents insurance with Admiral. On 16 September 2019 Mrs E contacted Admiral to make a claim for damage to their home caused by a leaking hot water pipe. Mr and Mrs E say there were considerable delays in dealing with the claim, arising from a lack of communication between Admiral and the loss adjusters and contractors they'd appointed. And the loss adjusters didn't keep them updated, even though Admiral said they would. This led to Mrs E having to take time off work for unnecessary appointments, and to their home being damp, with unusable rooms, for far longer than was necessary.

The leaking pipe was in the wall between Mr and Mrs E's en-suite bathroom and hall. Admiral appointed loss adjusters and contractors. The contractors attended at Mr and Mrs E's property on 17 September 2019. They removed a section of skirting board and plasterboard in the hall to expose the leaking pipe. Mr and Mrs E then arranged for their own plumber to fix the leak. This was done on 18 September 2019.

In their stabilisation report, dated 17 September 2019, the contractors recommended stripping out the damaged area in the hall and en-suite bathroom. And, once this was done, they estimated it would take 21 days to dry out the affected areas before repairs and reinstatement could be started. They didn't recommend installing any drying equipment as the leak hadn't yet been fixed, and to move the claim forward they said the damaged bathroom suite, plasterboard and floor tiles in the affected areas needed to be removed.

A loss adjuster visited the property on 24 September 2019. And on 8 October 2019 there was a joint visit from a surveyor and the drying company. After this Mr and Mrs E heard nothing, so Mrs E chased Admiral on 16 October 2019, and again on 22 October 2019, when she was told they were awaiting the surveyor's report.

At this point Mr and Mrs E complained to Admiral, as they had exposed pipework in their hall, their house was still damp, and after six weeks they felt they were no closer to anything being dried or removed.

On 30 October 2019 the original contractors visited the property again, with the restoration contractors who'd been appointed to do the stripping out work. The original contractors told Mr and Mrs E they'd been instructed to carry out a nitrates test to assess moisture levels elsewhere in their property. Mr and Mrs E were told this was necessary to prove the escaped water was chlorinated and not related to a damp problem, and to assess moisture levels, to see when the property was likely to be dry.

On 4 November 2019 the restoration contractors called Mrs E to arrange the strip out. This was booked for 14 November 2019. Mrs E rang the original contractors on 7 November 2019, as she hadn't heard from them about the installation of the dryers. They suggested allowing a few days after the strip out had been completed, so the delivery of the dryers was booked for 18 November 2019.

The strip out was started on 14 November 2019, but Mr and Mrs E were told the floor tiles couldn't be removed until an electrician confirmed the underfloor heating had been isolated, and it was safe to proceed. An electrician arrived in the late morning and confirmed the underfloor heating had been isolated, but by then the contractors were packing up, as they said they had another job to get to. The loss adjusters called Mrs E on 17 November 2019 and said they were sending her the schedule for the strip out. She informed them it had been started, but not finished.

Despite Mrs E having told the loss adjusters the strip out hadn't been completed, the contractors arrived, on 18 November 2019, to install the dryers. This couldn't be done as the strip out hadn't been completed, and there was moisture under the floor. The loss adjusters arranged for the contractors to return and finish the strip out on 22 November 2019. Mr and Mrs E were unhappy that they contractor wouldn't remove some chipped tiles, some broken plasterboard, and an area of skirting board in the hall that was still showing damp, without speaking to his office. He told Mrs E he couldn't get through to his office and left without doing as she'd asked.

Two electric dryers and a fan were installed in the property on 25 November 2019. They were repositioned on 2 December 2019 and the en-suite bathroom and hall were sealed with polythene. The drying equipment was removed on 13 December 2019. So, it took 19 days to dry the property. The loss adjusters had arranged a video call with Mrs E the same day to assess the situation and finalise the reinstatement schedule. Mrs E told them she didn't feel they were qualified to assess what should be included in the schedule and asked for a surveyor to be instructed. This was agreed.

The surveyor inspected the property on 17 December 2019 and told Mrs E he'd sent the reinstatement schedule to the loss adjusters. He asked Mrs E to provide any information or receipts she had relating to the original fixtures. She sent these to him the following day. On 19 December 2019 the loss adjusters called Mrs E to say they'd have the schedule to discuss with her on 23 December 2019, but she didn't receive the promised call.

Mr and Mrs E had to make alternative plans for Christmas 2019, as due to the condition of their property they were unable to have their family to stay, as had been planned. They received the reinstatement schedule on 9 January 2020. This recommended further strip out work. Mr and Mrs E say that this work was included in the original schedule prepared on 17 September 2019, and could have been done before the drying started, but the loss adjusters said this wasn't necessary.

Admiral responded to Mr and Mrs E's complaint on 17 December 2019. They upheld the complaint agreeing that there'd been delays in dealing with their claim and that communication could have been better. They said there'd been a lack of ownership of the claim, which resulted in confusion about which sub-contractors were responsible for which elements of the claim. And that this had resulted in appointments being made with the wrong people. They offered Mr and Mrs E £450 for the trouble and upset they'd experienced.

Mr and Mrs E weren't happy with Admiral's response and complained to our service. Our investigator considered the case and felt that the £450 Admiral had offered wasn't enough, to compensate them for the trouble and upset they'd experienced. He said that even though Admiral had accepted there'd been delays, he didn't think they'd fully considered the impact

of this on Mr and Mrs E.

He said that the damage to their property had been categorised as being 'minor structural damage' on 17 September 2019. Based on this he felt that there'd been more than enough time for the claim to be resolved before Christmas 2019. While the claim was ongoing Mr and Mrs E had been unable to use their bedroom and en-suite bathroom, the property had been damp, and following the strip out of the bathroom, they'd been left with a smell of open drains throughout their home. This was because the contractors hadn't disconnected the waste pipe from the cistern, they'd just placed a plastic bag over it.

Admiral told our investigator that they were only happy for him to consider Mr and Mrs E's complaint up to the date of their final response letter, 17 December 2019. Despite this our investigator felt he could consider that Mr and Mrs E had to make alternative arrangements for Christmas 2019, as this was something they'd have done before Admiral replied to their complaint. As he said it was clear the property wouldn't be fit for visitors in time for Christmas.

He also said that the stabilisation report, prepared on 17 September 2019, gave a timescale of '>21 days' for stabilisation and drying, but for the reasons acknowledged by Admiral, dryers were only installed on 25 November 2019, more than two months after Mr and Mrs E made their claim. And because, more than once, the wrong contractors had been instructed, Mrs E had taken unnecessary time off work for abortive appointments.

Taking all this into account our investigator recommended that Admiral pay Mr and Mrs E a further £300 compensation, in addition to the £450 they'd already offered.

Admiral didn't accept our investigator's opinion. They said the £450 they'd offered was reasonable. They also said that Mr and Mrs E had told them they couldn't host their family at Christmas, as their bathroom was out of use. But Admiral believed the property was fully habitable, as the affected en-suite bathroom, wasn't their main bathroom, and Mr and Mrs E wouldn't let contractors start work in the week before Christmas, as they were due to go away for New Year. They also said that some inconvenience was likely to occur, especially when there is ongoing work, and although there'd been delays due to poor management of the claim, the delay was only five weeks, and the impact was lessened as they wouldn't let the work be done before Christmas, and they were away for New Year.

Our investigator considered Admiral's comments but maintained his opinion that they should pay a further £300 compensation to Mr and Mrs E.

The case has now come to me for a 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.

Admiral have acknowledged that there were delays in dealing with Mr and Mrs E's claim. But I still need to consider the length of these delays, and what caused them, before I can decide if the compensation offered to Mr and Mrs E is fair and reasonable.

I accept that there was always going to be some degree of disruption following the water leak at Mr and Mrs E's home and the damage it caused. Initially Admiral acted promptly, instructing contractors who attended their property on 17 September 2019, the day after the water damage was discovered, and prepared a report.

This report identified the source of leak as a hot water feed pipe in the hall and stated that a plumber was required to repair the leaking pipe. The report summarises the work to be carried out, once the leak had been repaired. This includes a strip out of the sanitary ware in the en-suite bathroom, removal of all the wall tiles, and possibly the floor tiles and replacement of affected plasterboard.

In the hall damaged plasterboard had been removed to allow access to the leaking pipe. And it was noted that the floor tiles might have to be removed and the underfloor heating system checked or replaced. The report anticipated that the initial work to move the claim forward, the removal of the bathroom suite, any damaged plasterboard and floor tiles in the affected areas would be completed by 24 September 2019.

So, all the work that was required to allow drying to be carried out, before restoration works could be started, was identified on 17 September 2019.

Mr and Mrs E did what was required of them and arranged a plumber, who repaired the leaking pipe on 18 September 2019. Although a surveyor and loss adjustor visited the property on 24 September 2019, contractors weren't appointed until the end of October 2019. But when they visited the property there was a further delay as they'd been told to arrange a nitrates test. This was despite the report of 17 September 2019 identifying the source of the damp as a leaking pipe, and confirming the water was clean. Admiral had already had six weeks to arrange this test. And the contractors were only appointed after Mrs E had chased Admiral several times.

So the strip out work, which the initial report suggested could be completed in a week, wasn't started until 14 November. And then it wasn't completed, as an electrician didn't turn up in time to check the underfloor heating system, before the contractors packed up and left. I can understand how frustrating this must have been for Mrs E, who'd taken time off work so the strip out could be completed. The need to check the heating system was identified on 17 September 2019 and there'd been weeks for Admiral to arrange this. But this hadn't been actioned even though Mr and Mrs E had already raised a complaint about delay.

It's clear, as Admiral have acknowledged, that the parties they'd appointed to handle Mr and Mrs E's claim weren't communicating with each other. And because of this a lot of time was wasted. On 17 November 2019, when they called Mrs E, the loss adjustors weren't aware that the strip out had been started, but not completed. And despite her telling them what had happened, they didn't notify the contractors installing the dryers, who turned up on 18 November 2019, only to be sent away. This led to a further week's delay.

When the dryers were finally installed, it took under three weeks to dry out the property. By then it was mid-December, and I'm satisfied that had the parties involved communicated, and kept Mr and Mrs E properly updated, the strip out and drying could have been completed much sooner. At one point it was suggested that Mr and Mrs E weren't co-operating, as they were turning off the dryers. This wasn't true and these comments related to a completely different claim. And is another example of the poor level of communication Mr and Mrs E experienced throughout their claim.

I'm persuaded that the way in which their claim was dealt with by Admiral, caused Mr and Mrs E far more disruption and inconvenience, than I would normally expect to occur. Throughout the claim Mr and Mrs E acted quickly when anything was required from them, but unfortunately this wasn't true of Admiral, or the parties they appointed.

Admiral don't want us to look at anything that happened after 17 December 2019, the date of their final response letter. But I think I can look at Mr and Mrs E's complaint that they had to make alternative arrangements for Christmas 2019, as this would have been done before

this date.

On 13 December 2019 the drying equipment had only just been removed. And having considered the photographs Mr and Mrs E's have sent us, I can understand why they didn't feel able to host their family for Christmas. The main bedroom and en-suite bathroom were still unusable, and while they also had a family bathroom, I think it was entirely reasonable for them not to want visitors until the reinstatement was done.

Given the delays there'd been in arranging the strip out and drying, I also think it was entirely reasonable for Mr and Mrs E to say, they didn't want work on the reinstatement to start in the week before Christmas. Mr and Mrs E have told us they didn't receive the reinstatement schedule before Christmas, or the promised call to discuss it, so I think it unlikely, the work would have been started, even if they'd agreed. So, I don't accept that they contributed to the delay. And Admiral can't rely on this to say it lessened the impact of the delays.

I'm satisfied that there was a significant delay arising from Admiral's handling of Mr and Mrs E's claim. As a result of this I'm persuaded they suffered considerable trouble and upset, far more than I'd expect in the normal course of a water damage claim. And to put things right I required Admiral to pay them a further £300 compensation.

My final decision

For the reasons set out above my final decision is that I uphold Mr and Mrs E's complaint about Admiral Insurance (Gibraltar) Limited. And to put things right I require them to pay Mr and Mrs E a further £300 compensation, in addition to the £450 they've already offered them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs E to accept or reject my decision before 11 September 2020.

Patricia O'Leary
Ombudsman