

## **The complaint**

Mr and Mrs J complain about how The National Farmers' Union Mutual Insurance Society Limited ("NFU") handled their claim on their home insurance.

## **What happened**

Mr and Mrs J had home insurance with NFU to cover their Grade II listed property. In 2017 they made a claim after a mains pipe and a foul drainage pipe leaked and caused damage to their property. NFU accepted the claim and began repairs, however Mr and Mrs J were unhappy with the work and in 2018 they made a complaint which was responded to by NFU in March 2019. This was subsequently considered by this service and £1,250 compensation was awarded for the period up to that date.

Following this complaint, Mr and Mrs J remained unhappy with how the claim was handled. They said the repairs that had been carried out previously by NFU's contractors had been very poor, hadn't taken into account legal requirements for listed buildings and had caused further problems that now needed to be rectified.

Mr and Mrs J brought this to NFU's attention on a number of occasions but they didn't feel their concerns were taken seriously. In March 2020 the work that had been carried out was opened up at a site visit and NFU agreed it had been completed poorly. Mr and Mrs J subsequently instructed an independent expert to compile a report which they provided to NFU. This stated that the work would need to be completely removed and re-done. It was only after this that NFU agreed to this course of action.

Mr and Mrs J were extremely unhappy with how the claim had been handled from the start. They said they had had to go to extreme lengths to prove that the initial repair work had been poor and the way NFU and its contractors had dismissed their concerns and treated them poorly had caused significant distress. They said they'd been threatened with legal action and having their alternative accommodation cut short when they took their house keys off the contractors, in order to try and prevent further damage which was very distressing. They said this left them feeling threatened and distressed. During this time they made another complaint to NFU.

In February 2021 NFU issued its final response to the complaint. In it NFU accepted it had provided poor service and not handled the claim well. It offered £2,000 compensation to apologise for the errors and poor handling.

Mr and Mrs J were unhappy with this as they felt further compensation was due. They brought their complaint to this service.

Our investigator considered everything and recommended the complaint be upheld. She thought the distress and inconvenience NFU had caused Mr and Mrs J was substantial and therefore recommended it pay an additional £2,000 compensation on top of the £2,000 already offered. She also thought it should pay the legal fees Mr and Mrs J had paid for getting advice during the claim, as this shouldn't have been necessary. And it should pay for the costs of any reports Mr and Mrs J had to pay for during this time to assist the claim.

NFU agreed to pay the additional compensation and to pay legal fees amounting to £670. It said it hadn't received any invoices for reports that were compiled but would consider these if it did.

However Mr and Mrs J didn't accept our investigator's opinion, as they thought more compensation was due. They asked for their complaint to be considered by an 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 complaint I am considering relates to events from March 2019 up to the final response for this complaint in February 2021. I understand there is now some disagreement about the appropriate cash settlement for the claim, however this is being considered as part of a separate complaint so I won't comment about that here.

During this time, NFU has accepted that it has handled Mr and Mrs J's claim poorly. Since the complaint came to us it's agreed to pay £4,000 compensation and £670 for Mr and Mrs J's legal costs. I need to decide if this is enough in the circumstances.

Having considered everything, it's clear that this claim has been extremely poorly handled from the start. While I won't consider issues before March 2019, as this service has already considered these as part of a separate complaint, it's important that I take regard of what happened during this time as it helps explain the impact during the time I am considering.

And this complaint all relates to the very poor repairs that were carried out by NFU's contractors when it first took on the claim. These have meant a relatively straight forward claim has gone on for many years and has caused Mr and Mrs J a great amount of time and effort in trying to prove that the repairs were ineffective. And in doing so they were treated very poorly, left feeling threatened and uncertain about whether the poor work would be corrected.

Further, the fact the repairs weren't carried out correctly in the first place has added a significant amount of time onto this claim. This means the distress and inconvenience felt by Mr and Mrs J has been prolonged.

There are many factors throughout this period that have caused Mr and Mrs J distress and inconvenience, but I've highlighted those I feel are most relevant below:

- Mr and Mrs J raised concerns on numerous occasions about the standard of the repair work, but these weren't taken seriously until the site visit in March 2020 and subsequent independent report in August 2020. Even at this stage Mrs J had to work hard to compile evidence and prove to NFU that this was the case which was distressing and inconvenient and way above the usual preparation of an insurance claim. Further Mrs J has said that during the site visit she felt she was 'on trial' when explaining the evidence, which would have been very distressing.
- The previous repairs were so poor that all work needed to be stripped out and re-done, this has caused the claim to be significantly delayed. And the delay in NFU agreeing the repair work was poor, delayed things further. This has meant Mr and Mrs J have been in alternative accommodation for a very long time, much longer than should have been necessary. And have had the worry of the claim hanging over them in this time. This caused Mr and Mrs J more distress and inconvenience.

- Towards the end of 2019 Mrs J took her house keys off the contractors as she was worried about more damage being caused. Considering the events up until this date, this doesn't seem an unreasonable action. However after this NFU threatened her with legal action and told her that their alternative accommodation would be cut short. I consider this was unreasonable of NFU and would have been very distressing.
- When contractors were first appointed Mr and Mrs J were assured that they would have protection from a contract. However this was only provided after the builders were asked to leave. At this point Mr and Mrs J were asked to sign the contract, but due to the trouble they'd had to that date they sought legal advice before signing it and were told signing it would mean they'd be accountable for all of the builder's costs. This was distressing for Mr and Mrs J to find out and inconvenient as they had to arrange their own legal advice in order to decide what to do.
- Mr and Mrs J have ended up in the middle of a dispute between NFU and its contractor. And while this wasn't something they should have had any involvement in, NFU did little to support them even though this clearly caused additional distress.
- Through the time the repairs have been ongoing Mr and Mrs J have been staying in alternative accommodation. However Mrs J has been working in a building in the garden of the property and this has meant she has had to regularly return to the property. It's been distressing for her to continue to see it in a state of disrepair and she says this has impacted her work.
- Mrs J has explained that due to the stress of the claim she has been having counselling. While the costs of this has been met by NFU as part of policy cover, this goes to further illustrate the impact the claim has had.

Based on this, I think Mr and Mrs J have been caused substantial distress and inconvenience. And I agree that NFU's original offer of £2,000 compensation isn't sufficient. I think the £4,000 total compensation recommended by our investigator is a fair award in the circumstances, and in line with our approach on similar complaints. I therefore require NFU to pay Mr and Mrs J a total of £4,000 to apologise for the distress and inconvenience caused between March 2019 and February 2021 as part of this claim.

Further, I agree with our investigator that it shouldn't have been necessary for Mr and Mrs J to feel the need to seek legal advice. However it seems reasonable that they did, considering the circumstances. NFU has agreed to pay £670 to cover the legal costs, based on the invoices Mr and Mrs J have provided and I think this is fair in the circumstances. Due to the time Mr and Mrs J have been without the money, NFU should also pay 8% interest on this amount from the date they paid it until the date the settlement is paid.

NFU has also said it will consider any costs Mr and Mrs J incurred for reports they instructed in this time in order to support their claim, but have not been provided with any invoices for these costs. I think this is reasonable, and if there are any outstanding costs incurred Mr and Mrs J should provide these to NFU for consideration.

### **My final decision**

For the reasons I've given, I uphold Mr and Mrs J's complaint and require The National Farmers' Union Mutual Insurance Society Limited to:

- Pay Mr and Mrs J a total of £4,000 compensation for the period between March 2019 and February 2021.

- Reimburse Mr and Mrs J £670 for the legal costs incurred.
- Pay 8% simple interest on the above amount from the date Mr and Mrs J paid the legal professional, until the date payment is made by NFU.
- Consider any invoices Mr and Mrs J provide relating to reports instructed in order to present their claim during the period I am considering, and pay reasonable costs.
- Pay 8% interest on any additional costs agreed, from the date Mr and Mrs J paid for the report until payment is made by NFU.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 29 March 2022.

Sophie Goodyear  
**Ombudsman**