

## The complaint

Mr and Mrs M have complained about their home insurer Fairmead Insurance Limited in respect of how it handled a water damage claim they made to it in 2014.

## What happened

On 14 March 2014 Mr and Mrs M returned home to find their house, which they lived in with their daughter and their dog, flooded with sewage water overflowing from the downstairs toilet. They called Fairmead and were told to get quotes and come back to it.

Mr and Mrs M were unsure what to do – they began cleaning up the sewage but were wading round their home in wellies. They appointed a loss assessor to assist them. The assessor had a surveyor complete a schedule of repairs – the total cost for the work was estimated to be around £80,000.

At the end of April 2014 Fairmead logged Mr and Mrs M's claim – it transpired it hadn't been logged when Mr and Mrs M had called it in March. Fairmead accepted it had given poor advice to Mr and Mrs M, and when its appointed loss adjuster visited the property in early May 2014, the loss adjuster confirmed the home was, and since the leak always had been, uninhabitable. It was noted in the report of 9 May 2014 that:

*"In all ground floor rooms damage has been caused to internal doors, hardwood architraves and skirting boards and wallpaper and these will all require replacement. The doors are bespoke solid mahogany. Floor and wall tiles in the bathroom, utility room and kitchen are showing very high moisture readings and will need to be removed and replaced. In the kitchen and utility room all base units have started to swell and split and will also require replacement."*

The loss adjuster told Mr and Mrs M to arrange alternative accommodation (AA) which Fairmead would pay for.

On 15 and 16 May 2014 Mr and Mrs M spoke with Fairmead – they were concerned as they felt they needed AA urgently. A property for lease had been found but wouldn't be available until 26 May and staying in the property was really affecting their health, including that of their dog who had sore feet. Fairmead agreed to pay for a stay at a hotel as well as the rent for the lease property. When Mrs M asked Fairmead about food costs they'd likely incur whilst staying at the hotel, Fairmead said it would usually pay £10 per adult per day.

However, during their first night's stay at the hotel, Mr M was sick in the bed. The family had to move home as the hotel said it would charge them for the cost of the mattress. Mrs M told Fairmead no other hotels would take dogs so they felt they had no choice but to stay in their home. Whilst Fairmead offered to pay for the cost of kennelling the dog, Mrs M said this wasn't an option. Fairmead confirmed it would continue to pay for their food (a disturbance allowance, DA) whilst they were staying in their uninhabitable home at £10 per adult per day.

On 19 May 2014 Fairmead and its loss adjuster discussed that the loss adjuster would be reviewing the repair scope presented by Mr and Mrs M's loss assessor. By mid-June a

further visit to the property to assess damage had occurred and Fairmead noted on its file that drying and decontamination works by Mr and Mrs M's loss assessor were underway. The loss assessor said the property would be ready to reinstate in two to three weeks.

In early July Fairmead's loss adjuster told it they were still considering the repairs. It was noted that its estimated repair value was much lower than that stated by Mr and Mrs M's loss assessor. But it was late August when Fairmead shared with Mr and Mrs M what it thought was needed to reinstate the property. Mr and Mrs M felt this scope was lacking – it *wasn't* allowing for a replacement kitchen, or to replace their patio doors damaged whilst contents were moved out of the property when the leak was found. Mr and Mrs M said they were appointing a microbiologist and Fairmead said it wouldn't pay for that.

Fairmead felt its scope of reinstatement was fair and, in a final response of 30 October 2014, told Mr and Mrs M it would pay £16,291.78 for that work. It said it would review if other damage needed including, such as *repair* of the kitchen units – but Mr and Mrs M would have to agree to a meeting at their home to discuss matters. It said if other work currently in dispute was required, that would equate to an additional £6,150. Neither sum included VAT. For the work that it felt was required, Fairmead said that would take around three months – allowing for the Christmas period and any snagging issues that might arise. So, Fairmead said, it would continue to pay for the AA until the end of January 2015 (although it later extended that further to the end of March 2015). It also paid £500 compensation for the upset it had accepted it had caused by not dealing with the claim properly when Mrs M had first made it in March 2014. Fairmead noted the contents claim hadn't been made fully yet, but said it would review this once it was. Regarding the damaged patio doors – Fairmead said another claim for accidental damage would have to be made (and considered).

Mr and Mrs M were unhappy – they felt Fairmead hadn't addressed all of their concerns. They also felt the decision regarding the kitchen was unfair. Around this time their loss assessor confirmed to Fairmead that it had asked Mr and Mrs M to price the list of contents which had been disposed of. Fairmead reviewed its evidence and felt it may have been mistaken about the kitchen not needing replacing. But Fairmead noted that even if it accepted the kitchen needed replacing – its cost for this was still markedly below that of the Mr and Mrs M's loss assessor. So Fairmead felt its decision to not review the claim settlement without a visit to discuss costs was reasonable and so should be maintained.

As 2015 progressed the contents claim remained unresolved and in May 2015 Mr and Mrs M moved from one rental property to another. The loss assessor told Fairmead that it hoped to submit the contents claim in September 2015. In October 2015, after several enquiries and chases from Mrs M, Fairmead paid for moving costs for contents and their storage up to end February 2015. But Mrs M noted that Fairmead had agreed for the family to stay in AA until the end of March. When Fairmead was challenged on this point it agreed to pay a further month's storage costs. The contents claim remained outstanding.

The contents claim was then received in January 2016. There was a complication as the cost of the items claimed for exceeded the sum insured on the policy. Ultimately Fairmead decided to settle the claim on the basis of the sum insured (£50,000), less the deposit for the alternative accommodation which it had paid. This was paid in two amounts, one in August 2016 and one in January 2017. Mr and Mrs M said they thought items had been disposed of unnecessarily by their loss assessor's contractor. Fairmead said that was irrelevant to the settlement it was making because Mr and Mrs M had been underinsured and it was paying the maximum allowed for by the policy.

In May 2018 Mr and Mrs M moved back to their damaged home, subsequently contacting us for a second time in late 2019. They detailed a host of concerns about Fairmead, the claim, how they felt they'd been treated and how all this had affected them. Fairmead objected to

us looking at the complaint, it felt it had been made too late. But a fellow ombudsman determined this was a complaint we could and should consider.

Our investigator then considered the complaint. But she wasn't persuaded that Fairmead had done much wrong, and the £500 compensation it had paid was fair and reasonable. As Mr and Mrs M were disappointed by the findings, feeling their side of things hadn't been taken into account, their complaint was passed to me for consideration.

I felt Fairmead had failed Mr and Mrs M – but not to the extent and for the duration Mr and Mrs M felt Fairmead was responsible for. In short I said Fairmead would need to determine what is needed now to repair Mr and Mrs M's home, and pay for that, along with paying for the patio door repair, a disturbance allowance (plus interest) and a total of £3,500 compensation. Both parties considered my decision and responded to it. Neither totally agreed with what I'd said or recommended.

My provisional findings were:

*“Right at the very outset Fairmead failed Mr and Mrs M, and I note it accepts that. But I think it actually failed Mr and Mrs M three times in those first few months in respect of AA – in March, then in April when it appointed the adjuster, and then when the adjuster first visited the property. On each occasion Fairmead could (and should) have acted to get Mr and Mrs M out of the uninhabitable home and into emergency accommodation. But that only happened after further overtures from Mrs M in mid-May. By then I don't doubt the whole family including the dog were suffering. And I think that there's a fair chance that, if the hotel had been arranged earlier, Mr M would never have been sick and the family wouldn't have had to move back home. In the circumstances of this case I think Fairmead should actually have done more to assist them when the issue arose with the hotel.*

*I see Fairmead did start paying a DA when the family moved home, but I can't see it ever backdated this payment. Fairmead knew, from the outset, again in April and then when the adjuster visited in May, that the home was uninhabitable. And that it hadn't moved the family into AA. So it should always have been paying them DA. Again it failed Mr and Mrs M in this respect, which was compounded by it not spotting, when it agreed to pay DA after the hotel incident, that it should pay this on a backdated basis.*

*If Fairmead hadn't failed Mr and Mrs M at the outset, leaving them to start trying to clear up their home, they would never, I don't think, have appointed a loss assessor. And I haven't seen that once Fairmead became involved again, it looked to offer to take over the work for Mr and Mrs M. Really I think that as it knew it had put them in this position, it could have offered to take on the work, paying Mr and Mrs M, if necessary, to come out of any contract they had made with the assessor.*

*I think Fairmead then caused significant delays to reinstatement works. It knew the assessor would be ready to start reinstatement by early July. But it was only in late August when Fairmead's surveyor spoke to Mr and Mrs M about what he thought the reinstatement work should cost. I can see no good reason why it took from early May to August, or even mid-June (when the surveyor met the assessor) to August for those decisions to be made. And then further issues arose because the surveyor backtracked on the accepted position reached in May that the kitchen would need replacing. Further, I think Fairmead could always have foreseen that the assessor would likely price work differently to its own surveyor. Which brings me back to Fairmead's failure to really manage the position of the involvement of the assessor when it had finally taken on the claim in April/May 2014.*

*By late 2014 Fairmead knew its settlement offer was insufficient and, I think, that it had been wrong about the kitchen not needing replacing. But rather than try and mend that it dug its*

heels in about needing to attend the property and discuss the costs with the assessor. Whilst also adding some very strict deadlines to the payment for AA. I understand that by this stage, Mr and Mrs M, for a variety of reasons, had lost faith in Fairmead's ability to act fairly with them in the course of this claim. And I can understand their position.

From their perspective, Fairmead had let them down at the first but then, when it had become involved, the claim, putting it mildly, hadn't gone smoothly. To boot Mr and Mrs M felt the adjuster had lied at times. I can't know that was the case – that's the type of finding the courts make having had the opportunity to cross examine people to determine what was in their mind. But if the adjuster didn't lie she definitely made some glaring mistakes, which were only corrected upon challenge from Mr and Mrs M. So I think their loss of trust in this key person in control of the claim was, in my view, reasonable. There was also an incident where Mr and Mrs M report the surveyor entered their home unannounced, which scared Mrs M. The surveyor said he can't recall the visit but recalls announcing himself before entering. I'm not very persuaded by that account. And, as there were trades already in the home, I can see how a surveyor might've felt it appropriate to enter the house in order to find the home owner. So I don't think he'd have meant any ill intent by entering the home, without Mr or Mrs M greeting him at the door. But I can see why Mr and Mrs M were caused upset.

So I can see why a meeting wasn't appealing to Mr and Mrs M. And I think Fairmead could and should have handled things better at that point. From the correspondence I've seen Fairmead seemed to deal with this in a somewhat heavy handed way, rather than trying to resolve the position which its own failures had led to. But I also think that as the period of AA that Fairmead had been prepared to pay for drew to an end in spring 2015, Mr and Mrs M didn't make the best choices. Fairmead paid for AA to the end of March, and Mr and Mrs M were still challenging its decisions at that time. So I think it was reasonable for them to think the situation might change shortly, meaning they could remain in the AA for a little while longer than Fairmead had paid for. And, in May 2015, Mr and Mrs M had to leave that house as it needed repair. They found another house to stay in. This was more like their own home in terms of space and style, but it was unfurnished and more expensive than the accommodation they had been living in. So they used the buildings settlement and borrowed money to furnish it and pay rent. As I say, I can understand a reasonable person doing that for a short while, but I think that very quickly it must have been obvious that wasn't a sustainable position. I accept that Fairmead's poor claim handling left them in a difficult position at the end of March 2015 and I can see that caused them to think staying away from their uninhabitable home was all they could do. But as the months passed; the financial position became more unsustainable and the situation with Fairmead wasn't progressing or changing. I think the reasonable thing to have done then would have been to move back home. Instead Mr and Mrs M remained in the expensive rental accommodation and in 2016 and 2017, they used the contents settlement for rent too. In May 2018, with all their money, and savings gone, and borrowing options exhausted, they returned to their damaged home. If they'd returned to the damaged home earlier then they could have used the contents settlement to fund repairs. I fully understand that they were in a difficult position, and that started because of Fairmead's failures. But I don't think it's reasonable to blame Fairmead for everything that followed in 2016 and beyond.

I don't think it's fair though that, after all this time, Mr and Mrs M are still left with a damaged home with no way of reinstating it. As I said above, I understand why, in the first instance, they used the buildings settlement to fund the rental property they found. So that money has gone and isn't available to use on repairing their home because of Fairmead's failures. And it was always insufficient for reinstating the home anyway. Whilst I know it was insufficient because, at the very least, it didn't allow for replacing the kitchen, I don't know what a reasonable reinstatement sum would be.

*Mr and Mrs M have made reference to a report they obtained in 2014 which gave a cost comparison between their assessor's and Fairmead's estimates. But I haven't seen that. And I'm not sure how reliable a gauge it would be of what is needed now seven years later to fix their home. When an estimate is out of date, I can add interest to account for changes in cost, but I'm not sure here if more work is needed now due to delay. The best way to determine costs at this point would be for an independent surveyor to be appointed. Mr and Mrs M could pick a surveyor from a list provided by Fairmead. Fairmead would appoint and pay for the chosen surveyor. The surveyor, using the loss adjuster's report from 9 May 2014 as a base for knowing the minimum restoration work required, would assess the property and set out a scope, along with costs, for reinstatement. Fairmead would then pay that sum to Mr and Mrs M in settlement of their claim. This would leave them having to do the work themselves but, from everything I've seen, I think they'd prefer that to having Fairmead do the work.*

*Fairmead may think that it should get to deduct the original building's settlement from any sum found due by the surveyor. And/or that the surveyor should be tasked with filtering out work needed due to delay in repair. But I don't think either of those things is reasonable in the circumstances here. My view is Fairmead handled this badly and, regardless of the fact that I think Mr and Mrs M could have made better choices at times, it reasonably needs to reinstate their home. It wouldn't be fair, in my view, for Fairmead to get to mitigate its outlay necessarily caused as a result of its own failure. Which, at the very heart of everything, tracks back to that very first and significant failure it made in March 2014 when Mrs M first called it to make a claim.*

*I think it should also pay Mr and Mrs M to replace their patio doors. They were damaged, leaving the home insecure, when Fairmead left Mr and Mrs M without assistance in the immediate aftermath of the flood. If it had handled things properly I think it's most likely this damage would have been avoided. I accept it's been a worry for Mr and Mrs M ever since and I think Fairmead should have acted in 2014 to have it replaced. I've seen a recent estimate for replacing this which I'll have our investigator share with Fairmead. The cost before VAT is £1,537.25, so I think Fairmead should pay this to Mr and Mrs M. Once they get the doors replaced and incur VAT, they can send Fairmead an invoice and it will have to reimburse the VAT element to them within 14 days of receipt of the invoice. If payment is made outside of 14 days, Fairmead will have to add interest\* to the VAT sum and pay that as well.*

*Fairmead will also have to make a payment to Mr and Mrs M as a backdated disturbance allowance. Fairmead paid a disturbance allowance from the night the family stayed in the hotel in May 2014, which I think was 16 May. But before then the three of them had been living in the uninhabitable home without the benefit of an allowance. Fairmead should pay them £1,890 being £30 a day from 14 March 2014 until 15 May 2014 (63 days). And on this occasion, as I think Fairmead should have paid this to Mr and Mrs M in late May 2014, I'm going to require it to add interest\* on the total from 31 May 2014 until settlement is made.*

*I'm also minded to award Mr and Mrs M a further £3,000 compensation (on top of the £500 Fairmead has already paid). This takes into account not only the distress and inconvenience they were caused due to Fairmead's failings, but pain and suffering too. In saying that I don't doubt they became sick living in the sewage flooded home for months in the spring of 2014. Which they tried their best to clean. I accept they were also caused stress at this time too which exacerbated some existing medical conditions they had. I accept they were worried seeing their dog suffer. I see they made countless calls to Fairmead and it delayed matters. It also sent mail to their home address even when it knew they were living elsewhere. I've set out other failures I've found of it above. But whilst I know Mr and Mrs M are now quite poorly, I can't reasonably track their current state of health back to failures of Fairmead in 2014 and 2015. As I've explained above, I don't think I can fairly and reasonably blame*

*Fairmead for the very poor situation continuing over the last four years or so, which has undoubtedly caused them stress and impacted their health.*

*I know the contents settlement didn't replace all their damaged belongings. But as they were under insured, I can't reasonably make Fairmead pay them more for contents.*

*Mr and Mrs M have explained they are upset because the loss adjuster initially refused to give them a copy of her report from May 2014. But I can understand why the adjuster initially said this couldn't be shared with Mr and Mrs M. It was eventually shared and I think that was appropriate. But I don't think the initial refusal was unreasonable."*

The responses from the parties were:

Fairmead said:

- It had always tried to resolve things amicably with Mr and Mrs M.
- It feels that as Mr and Mrs M were clearly unhappy in 2015, they could have acted before 2019 to expedite any action they'd wished to take – either legally or via this service.
- It doesn't accept that Mr and Mrs M's ill health prevented them from furthering their complaint during that time, especially not when they had support from family members and a loss assessor acting for them.
- It feels the funds Mr and Mrs M were paid by it could have been used to make their home habitable.
- It doesn't think it should be responsible for fixing problems with the property that have resulted from its long-term state of disrepair.
- It doesn't want to be responsible for paying current market rates for work, and wants to know exactly how the appointment of the independent surveyor would work.
- It's worried my remedy isn't specific enough to avoid potential further dispute between the parties.
- It wants to have the right to further assess and validate that all the funds it paid for building repairs were spent on alternative accommodation – and if it determines that any haven't been used, these should be subtracted from anything the surveyor finds needs to be paid for repairs.
- It said if it is to consider a claim for the patio doors it needs to know how these were possibly damaged by the escaping water. And if it does settle it, it will want to assess that any payment is on a like-for-like reinstatement basis.
- Regarding the backdated disturbance allowance I'd said it should pay, it said it will check its records in case this has been paid. But, if it hasn't, it will pay this sum.
- In respect of the compensation payment I'd recommended, it said it felt this was steep given what it sees as the relevant period under consideration of April 2014 (when it registered the claim) to October 2014 (when it issued its final response).
- Finally, it thinks some of my language was emotive and prejudicial, suggesting that, at times, an objective assessment had not occurred. It said my findings should be amended so they are objective and factual.

Mr and Mrs M said:

- They'd had little choice in spring 2015 when Fairmead had stopped paying for their alternative accommodation – because the funds it had paid for repairing their home were simply not enough.
- They'd hoped to improve things with an expected quick settlement by Fairmead of their contents claim – which they'd then use to start repairing their home. But that took too long as well, with two settlements being paid by Fairmead – but each only paid following them having to renew the tenancy agreement for the alternative accommodation. So the

contents settlements had to be spent on rent too.

- They'd had no choice but to stay away from their home, and only moved back when all other options were exhausted – its only right that Fairmead pays their costs for this, and not least as their policy allows them up to £100,000 for alternative accommodation.
- They asked I set out which repairs will attract interest as they believe costs have increased over recent months. And the general economic climate along with the pandemic will likely have impacts on the work to be done as materials may be expensive and scarce. Further, any interest awarded would allow for any price change that is fated to occur on account of a delay in getting work done following the surveyor's findings because it's simply harder to get work booked in now.
- They said there'll need to be a delay in appointing a surveyor, as the pandemic means it's unsafe for them to have anyone in their home.
- They believe Fairmead should pay for them to appoint a private surveyor to accompany the independent surveyor, as they can't be sure of the independent surveyor's impartiality, or that their interests will be protected.
- When repairs are done, they'll need alternative accommodation and storage costs for the period of work I'm now recommending. The repairs will be extensive, likely involving a new kitchen, including appliances.
- They'd like the cost for replacing the patio doors to be reviewed by the surveyor, as they think the cost will have increased markedly since the estimate was produced last year.
- Fairmead should also pay them a disturbance allowance for the period since they moved home until the repairs begin.
- They want to be sure Fairmead paid them £500 previously, and when exactly this was.
- They'd like the level of compensation awarded re-evaluating; further medical evidence was provided showing, they say, a causal link between their living conditions and their poor health, along with, what they say is, a relevant case study of a similar complaint assessed by this service where £8,000 compensation was awarded.
- They asked for advice as to what will happen if Fairmead doesn't honour my final decision (if they accept it).

### **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.

I explained provisionally that a lot had happened during the course of this long complaint and that I couldn't mention every instance and detail. I said that, as such, my decision would reflect the worst of the failings I'd found Fairmead had made and reference the impact all that had on Mr and Mrs M. And that if there were any mitigating acts by Fairmead I'd set them out for balance. I said I'd also address any key concerns raised by Mr and Mrs M. I emphasized that no discourtesy was meant by any brevity – that both parties could be assured that I had taken into account everything they'd said and provided. And I intend to continue with this approach as I consider the parties' responses to my provisional findings.

Whilst I've considered everything both parties have said, I'm mindful that many of their objections don't raise any new issues or point to anything I didn't consider when making my provisional findings. For example, Fairmead's case notes were studied carefully, and I took on board the detail Mr and Mrs M had given about the choices they'd felt they'd had to make. It won't serve any purpose for me to go over 'old ground', so I'm not going to specifically address each and every concern raised by the parties, even those detailed by me above.

The policy term entitling Mr and Mrs M to £100,000 of cover for alternative accommodation doesn't automatically mean Fairmead should pay for their costs incurred. In short, I'm satisfied that Fairmead didn't handle this claim fairly and reasonably, so I have to say what I think it needs to do to make up for that. But in thinking about that, and as I've explained, I've had to take into account the choices Mr and Mrs M made too. I stand by my provisional findings – it wouldn't be fair or reasonable for me to make Fairmead reimburse them their costs for having lived elsewhere since Fairmead stopped covering their rent in 2015.

But I'd say similarly in reply to Fairmead's objection to possibly now having to pay for repairs necessary because the house hasn't been repaired in the years since the claim, and at today's rates. Essentially, I've found that it made choices about how to handle and deal with this matter – which resulted in an unfair claim settlement being made, alongside an unreasonable method (in my view) for remedying that. And it's not reasonable, I don't think, given Fairmead's failures, and despite their own choices, that Mr and Mrs M should be left with no money, or only part of the money, necessary to reinstate their home.

But as Mr and Mrs M haven't yet paid for their home to be repaired, I'm not going to make Fairmead add interest. Nor do I think it's fair to assume delays will occur due to the pandemic – meaning interest should be added.

Likewise, I don't think there should be any need to delay appointing a surveyor. I respect that Mr and Mrs M have concerns about the *potential* risk of Covid for them in meeting with anyone at their home. But I also accept their medical evidence which shows their health *is* being severely affected by their current living conditions. The living conditions can only improve if a surveyor is appointed and attends to view the damage, and that visit can be managed in a safe way to mitigate the potential risks of Covid. For example, I wouldn't think it would be unreasonable for Mr and Mrs M to expect the surveyor to wear a mask and gloves, and to have done a test, the results of which are negative, before visiting their home. So I'm not going to build in any direction for a 'delay' into my award.

My award can't be so specific as to avoid all risk of further dispute occurring in the future. And Mr and Mrs M can be reassured that a professional surveyor, a member of the Royal Institute of Chartered Surveyors (RICS), with a professional code of conduct to work to, will be appointed on a joint basis to consider the damage to their ground floor of their home. By their nature, and given their code of conduct, RICS surveyors are independent, and, on this occasion, I think Fairmead should assure that the list of three put to Mr and Mrs M to choose one from, should be a surveyor it doesn't usually work with. But I can't reasonably expect Fairmead to check into everyone's job history to ensure they have never before worked for the loss adjusting business the previous surveyor appointed by Fairmead worked for.

The appointed surveyor will need to know details of the original loss, and, as I said before, have regard to the original loss adjuster's report. I've quoted from that report in my background. If that damage has got worse due to time, that worsening will need to be taken into account when detailing what needs to be repaired, and at what cost. But if damage to the buildings has occurred that is entirely unassociated with the original loss and damage, that won't need to be factored in as part of the necessary buildings repairs Fairmead is responsible for paying for. Unless that is, it's impossible to carry out the insured work without repairing uninsured damage too. When the surveyor has determined what needs to be repaired/replaced, he will need to set out costs for that work at then current rates. That decision will be binding on both parties. And Fairmead won't be able to deduct anything from the costs for money it paid to Mr and Mrs M before in settlement of the buildings (or contents) claim.



I appreciate that it will be difficult for Mr and Mrs M to live in their home whilst repairs are being done. But it is difficult for them to live in their home now in the condition it is in. On this occasion, I'm not going to require Fairmead to pay for their alternative accommodation, or storage of their belongings, during the period of repair. On this occasion I'm satisfied that Fairmead should be responsible for putting their house straight, despite what it's already paid for that – but I'm also still satisfied that it isn't responsible for the whole incredibly difficult and unpleasant situation Mr and Mrs M are in. I've sought to strike a balance in my award that reflects that, and that means that I think Fairmead paying for repairs, along with compensation and the other awards I've made, is a fair and reasonable outcome here.

I'm not persuaded that costs have increased that much since last year when the patio door estimate was obtained, so I'm not going to require interest, on the estimated amount before VAT, to be paid by Fairmead. But if it delays refunding the VAT element when Mr and Mrs M present their invoice to it for payment, that VAT sum will attract interest. I note Fairmead's concern that it hasn't had chance to verify the estimate. But Fairmead could have looked to engage with Mr and Mrs M on this issue long before now if it had wanted to. And I note that in reply to my provisional decision, and despite what I said in my findings, Fairmead is still querying how the doors were damaged by the water. This is a safety/security issue and I'm satisfied its right that funds for this work are paid to Mr and Mrs M without chance for further consideration being given.

Similarly, Fairmead doesn't now get to check its accounts for the disturbance allowance I said it should pay Mr and Mrs M for the time they spent in their uninhabitable home at the start of this claim. As I said, I carefully checked Fairmead's notes when making my provisional decision and I found no sign this was paid, or even noted as being in need of payment. If Fairmead had wanted to challenge my provisional decision by showing me this had been paid, it could have done that. But it didn't. So I've no reason to change my award. Or to extend it as Mr and Mrs M have requested, to cover the period they've been in their home since 2018. As I noted above, their details provided in reply, haven't given me cause to think Fairmead was responsible for them returning to an uninhabitable home at that time.

Fairmead has satisfied me that £500 was paid to Mr and Mrs M in late 2014, by cheque. And that this cheque was presented to the bank in April 2015. So I'm satisfied that Mr and Mrs M have had this payment. I know that regarding the further compensation of £3,000 I've said Fairmead should pay, both parties would like me to revise that. But having carefully reviewed this complaint in light of the responses to my provisional decision, I'm satisfied that is a fair and reasonable sum in the circumstances and one which is in line with other awards we've made in similar circumstances. The one case study Mr and Mrs M have found where a larger sum was recommended doesn't mean the sum I'm awarding them is out of line. Rather that is one example, and whilst Mr and Mrs M think the circumstances are similar, I'm not persuaded that is actually the case. At the heart of everything we do is considering each case on its own merits – and I've paid careful and close attention to everything that happened between Fairmead and Mr and Mrs M during the course of this claim. Having done so I remain of the view that reasonable compensation is £3,500, with £500 of that sum having already been paid by Fairmead.

I appreciate that Fairmead has concerns about some of the language I've used, and I've looked at the particular instances it's specified. But I stand by what I've said in these respects. And I'd remind Fairmead that whilst I complete an objective assessment, the complaint at hand may require me to consider the subjective view of the complainant about what happened and what harm they came to. My work also requires me to make determinations, given the balance of the evidence at hand, as to what is most likely to have happened. I'm satisfied that throughout my findings, my language was moderated, using terms which were appropriate and necessary in the circumstances, in order to address the complaint at hand.

It now remains for Mr and Mrs M to consider my final decision and, if they want to, to accept it. They should note the timeframe given for doing so. If they do accept it within the timeframe set, it will become binding on Fairmead in line with our usual rules. But I can't offer legal advice to either party about accepting, complying with or enforcing my decision.

### **Putting things right**

I require Fairmead to pay Mr and Mrs M:

- An amount to restore their home. This to be determined by an independent surveyor, appointed by Fairmead but whom Mr and Mrs M have chosen from a list of three provided by it. The chosen surveyor, using the adjuster's report from 9 May 2014 as a base line, will draw up a scope for reinstating the home, also determining what the cost of that work will be. It is this cost which Fairmead will have to pay to Mr and Mrs M.
- £1,537.25 to replace their patio doors.
- Upon receipt of an invoice showing the doors have been replaced, the VAT cost incurred for that. This to be paid within 14 days of receipt of the invoice. If payment is made outside of 14 days, Fairmead will have to add interest\* to the VAT sum and pay that too.
- £1,890 as a disturbance allowance for 63 days, plus interest\* from 31 May 2014 until settlement is made.
- £3,000 compensation for distress, inconvenience, pain and suffering (making total compensation paid by it £3,500).

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. If Fairmead considers that it's required by HM Revenue & Customs to take off income tax from any interest due to Mr and Mrs M, it should tell them how much it's taken off. It should also give Mr and Mrs M a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

I uphold this complaint. I require Fairmead Insurance Limited to provide the redress set out above at "*putting things right*".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 15 February 2022.

Fiona Robinson

**Ombudsman**