

## **The complaint**

Mr L complains about Fairmead Insurance Limited's (Fairmead) handling and value of his claim under his home insurance policy.

## **What happened**

Mr L had a leak at his home and raised a claim with Fairmead. After accepting the claim Fairmead, offered Mr L a settlement of £1,308.36. Mr L told Fairmead that this wasn't enough to complete the required works. So Fairmead asked Mr L to get his own quotes for the work. It also instructed another surveyor to compile a scope of works.

Mr L told Fairmead that he suffered from health issues and this was noted.

Following Fairmead's surveyor's report, it offered Mr L £3,000 for the works. But Mr L's own quote came in at £3,500. Mr L complained to Fairmead about the handling (as he had had to chase on occasions) and the value of the claim. Also, his original contractor could no longer do the work and his new contractor provided an increased quote of £6,200.

In its final response, Fairmead said that the quote Mr L had obtained from his contractor had been excessive and it had relied upon its surveyor's report when determining the value of the claim. In addition, Mr L hadn't provided any evidence to support why the quote was as high as it was. And because of this the settlement offer it had offered Mr L was fair.

Mr L was given his referral rights and he referred a complaint to this service. Following his referral, Fairmead offered to settle the claim by paying the total repair costs of £6,200 as well as £200 for the trouble and upset it caused and a further £200, disturbance allowance.

Mr L remained upset with the amount of compensation Fairmead offered. So, one of our investigators considered the complaint and thought that it should be upheld. His view was that Mr L had experienced substantial distress and Fairmead's mistake had a significant impact on his day to day life. He recommended that Fairmead increase the distress and inconvenience award by a further £200.

Fairmead accepted his view, Mr L did not. He said that Fairmead hadn't offered him alternative accommodation, he had been treated badly by Fairmead. And that there was extra work that he had had to pay for. He didn't tell Fairmead about this extra work as he didn't want the additional stress and upset, given his health issues. So, he asked for a decision from 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.

Having done so, I will be upholding this complaint, which I think Mr L will be disappointed with. But I hope my findings go some way in explaining why I've reached this decision.

Mr L held a home insurance policy with Fairmead. A leak occurred in his home and Fairmead accepted the claim. Initially, Fairmead offered a cash settlement that Mr L said didn't cover the full cost of the repairs that were required. Following Mr L being given his referral rights, Fairmead increased its offer to cover the full cost of £6,200, which is the amount that Mr L's contractor quoted for the repairs. And I think Fairmead were fair to offer to pay the full cost of the repairs.

The main issue of this complaint is whether Fairmead ought to have offered Mr L alternative accommodation given the condition of his home due to the leak. And whether Fairmead ought to consider the extra work that Mr L had to undertake to complete the repairs of the leak.

I have reviewed the terms and conditions of the policy and I can see that alternative accommodation is permitted. I asked Fairmead why it hadn't offered Mr L alternative accommodation, as the policy allowed. It said that having reviewed the reinstatement works that took place, alternative accommodation should've been considered. Which it accepted wasn't done at the time.

But, Fairmead said that retrospectively, it did take the provision of alternative accommodation into account and initially offered £200 by way of a disturbance allowance. In addition, it offered a further £200 for the distress and inconvenience caused. Moreover, it accepted our investigator's recommendation to increase the compensation by a further £200. So, in total, the amount offered for the disturbance allowance and the compensation for distress and inconvenience caused was £600.

I have to consider whether this amount was fair in the circumstances. Mr L said that as a result of the leak, he had no heating and hot water for about three weeks. He also said that he and his family felt uncomfortable and stressed. And their many ailments, were exacerbated by having lived in the home due to the condition of their home.

I have carefully reviewed the contact notes and claim file. And although Mr L said that he had suffered from loss heat and hot water for three weeks, there is no evidence that suggests that Mr L told Fairmead or any of their agents that he was without heating and hot water.

I also asked Fairmead to check whether Mr L advised them that he was without heating and hot water. It said that that there wasn't anything categoric to show that Mr L had told it or its agents that he was without these utilities.

Moreover, Fairmead confirmed that the repair to fix the leak would've been Mr L's responsibility. So, I think that once the leak had been repaired by Mr L, this possibly could've meant that the time without heating and hot water would've been reduced.

Mr L said that he also had pets living with him. He told Fairmead that he wouldn't have placed the pets elsewhere, so potentially, this could've caused an issue with securing alternative accommodation. Ultimately, Fairmead has accepted that there would've been a level of disruption, given the nature of the incident, but to say how long the disruption lasted, it couldn't confirm this as Mr L was responsible for the repair of the leak. And this would've impacted on the provision of heating and hot water.

Mr L has mentioned that he and his family suffered from health issues, which Fairmead noted. I asked Mr L to provide evidence that showed the effect this incident had on his and

his family's health. Mr L said that a charge would be made for his doctor to write a letter. But it was suggested that he could download the information, without charge, from the health service. But this also wasn't provided. In the absence of any supporting evidence from Mr L, I am unable to reasonably ask Fairmead to increase its offer of compensation for the distress caused.

Mr L said that he had to undertake extra work as a result of the leak and that he hadn't informed Fairmead of this, due to the additional stress. I asked Mr L if he could provide a report and the invoice from his builder who carried out the extra work. He said that his builder was out of the country. So, nothing further was provided. Again, in the absence of this supporting evidence, I am unable to reasonably and fairly ask Fairmead to consider the extra work that Mr L said was carried out. But, Fairmead has said that if this information is provided, it would review this, which I think is fair.

Taking all of this into consideration, I think that Mr L was impacted by the leak. Fairmead had agreed to cover the full cost of the repairs of £6,200, which I think is fair.

### **Putting things right**

In relation to the compensation, I think that Fairmead have recognised that Mr L suffered from a level of disruption and I agree that he did. However, in the absence of any supporting evidence as mentioned, I think it is fair and reasonable that Fairmead pay compensation for the trouble and upset caused of £400. It should also pay a disturbance allowance of £200.

### **My final decision**

To put matters Fairmead Insurance Limited should pay compensation for the trouble and upset caused of £400, if it hasn't done so already.

Fairmead Insurance Limited should also pay £200 disturbance allowance, if it hasn't done so already.

Fairmead Insurance Limited should also settle the repair costs of £6,200, if it hasn't done so already.

Fairmead Insurance Limited should also pay interest on the amounts above, within 28 days of the date on which we tell it Mr L accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

If HM Revenue & Customs requires Fairmead Insurance Limited to deduct tax from the interest payment referred above, Fairmead Insurance Limited must give Mr L a certificate showing how much tax it deducts, if he asks them for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 March 2022.

Ayisha Savage  
**Ombudsman**