

The complaint

Ms G complains about Soteria Insurance Limited's handling of a claim under her home insurance policy.

What happened

At the relevant times, Ms G had home insurance underwritten by Soteria. This covered damage to her buildings, amongst other things.

Ms G made a claim in March 2012, after her house was broken into and a fire was started which caused very considerable damage. The house effectively had to be re-built.

Ms G isn't happy with the way that claim was handled. She says there have been long delays in the work, primarily caused by the decision to re-build the house on the existing foundations.

She says Soteria haven't adequately covered the costs for landscaping outside her home after the re-build was completed. And she's unhappy that they ceased to pay for her alternative accommodation too soon.

She also says Soteria continued to charge her for insurance during the re-build, when it wasn't necessary. And they were responsible for the premature and unannounced certification of the re-build, which cost her the chance to reclaim VAT and meant she had to pay Council Tax sooner than she should have.

She was also unhappy that when new gates were stolen from outside the house, before they'd been installed, that was treated as a new claim and a further excess was charged.

Ms G made a complaint to Soteria. And when they didn't uphold it, she brought her complaint to us.

Our investigator looked into it and thought Soteria had acted fairly and reasonably in offering to refund Ms G's premiums for the period when the policy wasn't appropriate for her needs. But he thought that otherwise Soteria had done nothing wrong.

Ms G disagreed and asked for a final 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.

I've come to the same conclusion as our investigator – and for much the same reasons. So, I'm not going to go into great detail here to cover off every issue Ms G has raised with us in the course of our handling of this complaint. Both Ms G and Soteria are very familiar with the background to this complaint and with the issues that it's raised.

The most important thing to say, from the outset, is that very soon after the fire and the claim to Soteria, Ms G appointed her own loss assessor to deal with the claim on her behalf. That loss assessor was working for Ms G, not for Soteria. And Soteria aren't responsible for decisions made by the loss assessor or for the loss assessor's actions.

In essence, Soteria accepted Ms G's claim. Ms G then appointed her loss assessor. And the loss assessor took responsibility for planning and managing the re-building of the house (including the application for planning permission, which I understand may have been subject to some delay). From that point on, Soteria received and approved costs submitted by the loss assessor but took no other part in planning or arranging the work.

Ms G says that much of the delay in re-building her house resulted from the decision to re-build on the existing foundations. In fact, that decision was the loss assessor's decision. They appointed a structural engineer, whose report said that the existing foundations could sensibly be used. Any delays caused by that decision aren't Soteria's fault.

Ms G's house has certainly taken an excessive amount of time to re-build. I'm sure that must have been very frustrating and stressful for her. But I can't see that any of the delays are Soteria's responsibility. The loss assessor managed the project and took responsibility for all aspects of the work, including appointing the builder.

Ms G says the builder proved not to be up to the task. And, indeed, went out of business before the works were completed. But the decision to appoint that builder was made by the loss assessor, who was acting on Ms G's behalf. Again, the delay that's caused is not Soteria's fault.

I can also see from the claim records provided by Soteria that any delays in communication between themselves and the loss assessor over costs, approval of expenditure and/or payments, appear not to have been Soteria's fault.

In fact, there were several occasions when Soteria were pressing the loss assessor for information or documentation to allow progress to be made. And I can see that Soteria closed the claim in 2017 after they'd contacted the loss assessor on several occasions for confirmation that the work which was covered by the claim had been completed.

Any confusion around this issue may have been due to the fact that Ms G altered the specifications for the re-build on a number of occasions, in essence to make the property better than it had been before the fire.

Of course, Ms G was perfectly entitled to do that. But those parts of the cost of the re-build which were for the improvements weren't for Soteria to cover.

The key point here though is that however difficult and complicated that might have made things for the loss assessor, Soteria did chase them several times for confirmation that the insured work had been completed. And, when no response was received, informed them that the claim would be closed on the assumption that Soteria's liability had been met. Again, I can't blame Soteria for any delays here.

The same logic applies to the cost related to landscaping at the property. The loss assessor submitted costs for approval which included the cost of the landscaping. Soteria approved those costs and paid the money over to the loss assessor.

Ms G says the landscaping wasn't carried out before now because she didn't think the payment would properly cover the costs she'd incur. And now that the works need to be completed, the cost of the landscaping has increased significantly over the time since the payment was agreed.

If the costings submitted by the loss assessor were too low at the time, Ms G would need to take that up with the loss assessor. Soteria didn't put those costings together, the loss assessor did. Soteria paid what they were asked to pay by the loss assessor.

And Soteria can't be expected to cover inflationary increases in the costs since the time they paid the money over for the work to be done. They'd be entitled to expect that the work would be carried out soon after they'd made the payment – and at the costs agreed with the loss assessor at the time.

Much the same logic applies to the sign-off of the building work, which was done by a company commissioned by the loss assessor. Again, Soteria can't be held responsible for the actions of that company. In effect, they were working for the loss assessor, who in turn was working for Ms G.

I believe Ms G thinks the theft of the gates was due to the builder irresponsibly leaving them unsecured and accessible whilst they were unattended. Again, the builder was appointed by the loss assessor and their actions or inactions can't be the responsibility of Soteria. It wouldn't be unreasonable or unfair to regard a claim for the loss of the gates as a new claim, to which an excess could be applied.

Turning to the alternative accommodation costs, there is an upper limit set out in Ms G's policy, beyond which Soteria clearly say they will not pay. In fact, they continued to pay those costs for longer than they were obliged to under the terms of the policy. Ms G's own solicitor confirmed this to her.

If I thought Soteria were responsible for all the delays in the re-building of the house, I might be inclined to say that whatever the terms of the policy are, Soteria should in all fairness keep a roof over Ms G's head until the works were completed.

But that's not the case here. Soteria aren't responsible for the delays. And I don't think Soteria have acted in any way unfairly or unreasonably in stopping the alternative accommodation payments when they did. As I understand it, the loss assessor then began to pick up those costs. That may be because they accepted some responsibility for Ms G still being in the position she was, rather than suggesting that Soteria were to blame.

Putting things right

Soteria have agreed to refund the premiums Ms G paid for the policy in the years after the year in which the fire happened.

They have pointed out that the policy renewed several times in that period and Ms G never requested cancellation.

Whilst I accept that's true, I think it is fair and reasonable for Soteria to refund the premiums given that the policy wasn't appropriate for Ms G's needs during the relevant period.

My final decision

For the reasons set out above, I uphold Ms G's complaint.

Soteria Insurance Limited must refund Ms G's premiums for the period after the fire in which the policy was not appropriate for her needs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 17 March 2022.

Neil Marshall
Ombudsman