

The complaint

Mr and Mrs P are unhappy with the alternative accommodation Ageas Insurance Limited (Ageas) provided when they claimed under their buildings insurance policy following an escape of water.

Mr and Mrs P jointly held buildings and contents insurance with Ageas. Their representative, Mrs C, handled the complaint on their behalf, so I'll also refer to her throughout my decision. Any actions referred to will include those taken by other representatives of Mr and Mrs P.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving reasons for my 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.

I've decided to uphold Mr and Mrs P's complaint and I'll explain why.

The claim itself is not in dispute, but Mr and Mrs P don't think Ageas handled the alternative accommodation (AA) element of their claim well. Looking at the evidence I've noted the following key points:

- Ageas said the repairs would take around four to six months, but they took over nine months.
- Ageas confirmed that it didn't keep Mr and Mrs P updated with progress of their claim as often as it should've done.
- Despite being asked for a small house or bungalow with garden due to health reasons, Ageas provided a fourth floor flat.
- Although there's no evidence that Ageas was responsible for the second leak, it didn't give adequate consideration to Mr and Mrs P's existing AA after Mrs C said it wasn't suitable.

So, I've thought about why Ageas didn't provide AA more suited to Mr and Mrs P's needs.

- The national lockdown caused restrictions.
- Ageas said rental accommodation was scarce, especially for tenants with pets – the pets were eventually housed in a shed in Mr and Mrs P's garden.
- Providing different AA after the second leak would've been short term and more likely to be a hotel than another rental property.

Overall, the circumstances were unfortunate and resulted in most of the distress and inconvenience Mr and Mrs P experienced. To protect their privacy, I won't go into detail about Mr and Mrs P's vulnerability, but Ageas was aware of their circumstances and I can't see that it made any significant attempt to provide more suitable AA. I accept that there were unusual circumstances regarding the lockdown, and the family said the flat was suitable to begin with, but I haven't seen anything to suggest Ageas reconsidered its suitability when

the repairs continued beyond the original expected timeframe. Given that Ageas was aware of Mr and Mrs P's vulnerability, it would've been fair to consider different AA.

Ageas confirmed it didn't keep Mr and Mrs P updated with progress of their claim. While I understand that more than one family member dealt with the claim on their behalf, as Ageas said, it could've included all representatives in the email updates it did provide. Mr and Mrs P were living in fourth floor accommodation unsuitable for their needs so I can see why updates would've been important to them. And without those updates, I can see why that would've caused them additional distress and inconvenience beyond what might reasonably have been expected. I'm satisfied that the failure to keep Mr and Mrs P fully informed represents a shortfall in service which warrants compensation.

I know Mrs C found this matter distressing and she is understandably worried about Mr and Mrs P. I'm sorry that they had to experience this at an already difficult time. But I must keep in mind that there would always have been significant inconvenience simply because of the water damage involved and making an insurance claim of this nature even in ordinary circumstances, let alone during a pandemic. I can't fairly hold Ageas responsible for those circumstances.

Ageas doesn't think compensation of £500 is warranted. However, I can't see any evidence that it made any offer to compensate Mr and Mrs P for the failure to keep in contact with them at reasonable intervals throughout their claim. And given their specific circumstances, I think greater care could've been taken to ensure any inconvenience was kept to a minimum. For the reasons I've given, I'm satisfied that the proposed compensation is reasonable.

Mrs C doesn't think £500 is enough. It's fair to point out that Ageas did seek approval for the AA from the family in the early stages, and I can see that it repaired the second leak as part of the same claim. Ageas also confirmed that it considered the snagging issues after Mr and Mrs P moved back in so that they were back home sooner, rather than waiting for the minor repairs to be completed. If they believe repairs are outstanding, Ageas will consider them on receipt of evidence that they relate to the claim.

In summary, it's reasonable to say Ageas didn't handle the AA and communication elements of the claim as well as it could've done, but much of the inconvenience caused was due to the insured peril itself. Therefore, I'm satisfied that compensation of £500 is fair and reasonable in the circumstances.

My final decision

For the reasons given above, my final decision is that I uphold the complaint and Ageas Insurance Limited must:

- pay Mr and Mrs P £500 compensation for the avoidable, additional inconvenience and distress caused due to the prolonged stay in alternative accommodation and lack of progress updates.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 6 April 2022.

Debra Vaughan
Ombudsman