

The complaint

Mr and Mrs R complained about how their claim was delayed and poorly managed under their home insurance policy with QIC Europe Ltd ("QIC").

What happened

Mr and Mrs R made a claim on their policy with QIC in August 2020 when they discovered water leaking through the top of their wall in the kitchen. The water later proved to be that from a sewage pipe. Mr and Mrs R explained in detail several issues that they felt disappointed with. Mr and Mrs R were left waiting some 12 months or more after the initial incident before the damage to their home could be rectified. The issues included: poor claims process / handling of the claim and misdirection by QIC, avoidable delays and poor workmanship.

Mr and Mrs R said the problems left them with a large hole in the kitchen wall and holes in the ceiling for most of the year. Mr and Mrs R said they've had to use their living room as a make-shift kitchen since August 2021. Mr and Mrs R felt tied into QIC as an insurer and renewed their policy as they were inhibited from moving to a new insurer as they still had an active claim open.

QIC set out its summary of the claim and hasn't highlighted any areas where it feels it provided a sub-standard service to Mr and Mrs R. Although, QIC did say *"Whilst it is regretful that the policyholder is unhappy with the snagging works, I am satisfied that we have agreed with [Mr and Mrs R] a suitable means to resolve the outstanding works"*.

Our investigator decided to uphold the complaint. He thought QIC had dealt fairly with resolving issues with snagging from the contractors, but he thought the level of service wasn't good enough (poor signposting of the claims process and unresponsive at times), so he awarded £300 compensation to Mr and Mrs R for the distress and inconvenience caused. QIC disagreed, so the complaint has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 11 February 2022. I said:

"The claim has been running for well over 12 months, so I have reviewed the information provided by both parties to understand the timeline of events which led to this complaint. Having considered this information – I don't think its reasonable for this claim to have been drawn out for so long. I don't think QIC has acted fairly. I think the service provided has been lacking which has led to unnecessary and avoidable delays. Therefore, I uphold this complaint and I'll explain why."

Mr and Mrs R first contacted QIC in August 2020 after a plumber diagnosed the cause of the damage to their bathroom / kitchen as a leaking sewage pipe. To repair the pipe, the plumber advised access could only be achieved by removal of Mr and Mrs R's bath, shower, unit/worktop, and tiles leaving the bathroom unusable. So, QIC instructed Mr and Mrs R to

get quotes from contractors to repair the damage that would be caused by the repairing the leak and remaining damage.

Mr and Mrs R contacted six businesses between August 2020 and November 2020 to get quotes for the works. Unfortunately, as it was a busy time, only one company provided a quote. It could start the works on 22 February 2021 if a deposit was paid. So, Mr and Mrs R provided this information to QIC who officially opened the claim.

QIC appointed a field surveyor to validate the damage on 25 November 2020. Mr and Mrs R were unhappy with his investigations and said, "he didn't even look behind the bath or in the hatch behind the wall to see where the leak was". Mr and Mrs R said they didn't receive any feedback from QIC following the survey.

QIC informed Mr and Mrs R that they needed to get a report from a plumber. QIC's notes show this was to evidence the leak. It's normal in escape of water claims for an insurer to want to validate the cause of the leak, so I don't think this is unusual. Mr and Mrs R arranged this at a cost of £200 and a report was provided to QIC in December 2020.

However, whilst I think it's reasonable that QIC wanted to validate the leak, I don't think the way it has done this is reasonable. I don't think QIC has managed the start of this claim effectively. I think it would've been reasonable to expect QIC who are experts in managing claims to have set out the claims process more clearly at the start. I don't think it was fair that QIC waited until November before asking for a plumber's report. If QIC wanted this assurance, it should've instructed Mr and Mrs R to request this in August, some three months earlier. I have read the surveyor's report and it suggests the surveyor thought the leak was most likely caused through the grouting around the shower in the bathroom, which is why he requested a plumber's report. On the face of it, this seems a fair observation. However, Mr and Mrs R had already explained where the leak was coming from and the surveyor didn't seem to examine or explore for this cause at all.

I think QIC should've asked a surveyor to inspect the damage when the incident was first reported. At the very least, it should've asked for a plumber's report earlier, which would've saved around three months on the timeline. I think the surveyor could've investigated the leak better and this would probably have mitigated the need for Mr and Mrs R to commission a report, so I intend that QIC refund Mr and Mrs R the cost of this report, on the production of valid receipts.

QIC said following receipt of the plumber's report, it instructed asbestos containing material (ACM) testing and said Mr and Mrs R confirmed they were happy to use one of QIC's contractors for reinstatement works. Mr and Mrs R thought the ACM testing could've been instructed earlier. I understand why QIC waited, as it was waiting for the plumber's report to validate the cause of the damage. However, as I set out, QIC should've made sure it facilitated the claims process, so the cause of the damage was validated earlier. I think the consequence of that was a further avoidable delay. QIC offered the use of its appointed contractor. However, I think this provides further evidence of the poor handling of the complaint. If, the complaint had been handled well from the start, Mr and Mrs R would've been aware a QIC appointed contractor was an option, so Mr and Mrs R wouldn't have wasted two to three months of their time sourcing quotes. QIC's contractor could've scoped out the required works.

Mr and Mrs R were informed in mid-January 2021, via QIC's portal, that the appointed contractor would be in touch with them within 7 days, but it didn't. Mr and Mrs R chased QIC several times for updates and QIC subsequently told Mr and Mrs R it was chasing its contractors. Mr and Mrs R were informed on 26 February 2021, the contractors were not working due to Covid-19. The contractor's position on working had not changed since the

previous Boxing Day, so Mr and Mrs R were unsure what caused the delay in being told this. Whilst I appreciate, Covid-19 has caused many issues, I don't think it's a valid reason for QIC not to be in communication with its contractors or for providing accurate messaging to Mr and Mrs R on what was happening. So, I don't think QIC has acted reasonably here.

On 1 March 2021, QIC offered a cash settlement due to the restrictions on them being able to contract for the rectification works due to Covid-19. I think this was a fair step to take given the restrictions at the time. However, if QIC had completed the earlier steps of the process more effectively, the work should've been completed by this point. Mr and Mrs R rejected the settlement, as they said they couldn't get the works completed for the money offered, so they informed QIC they would wait for QIC's contractor to do the work.

QIC's contractor undertook its initial inspection, then there was liaison with the in-house surveying team and Mr and Mrs R to agree some points of the rectification works. For example, the contribution required from Mr and Mrs R for undamaged aspects of the rectification and to explain the policy in respect to matching. This is normal in any claim to clarify what's covered under the policy and to agree what works are going to occur. So, I don't think anything wrong happened here.

Mr and Mrs R said it chased QIC during April and May 2021 for a start date for the works. I appreciate this would've been a frustrating wait for them. Whilst, I think QIC could've been more pro-active with its communications. I don't think I can hold them to account for this delay as the country was only just coming out of lockdown at this time due to the pandemic.

QIC's contractor commenced works on 9 August 2021, which I think was an extremely long time to wait for Mr and Mrs R given the survey was completed on 9th March 2021. I appreciate the lockdown was only released in March 2021 and this happened gradually, but I don't think it was reasonable for five months to pass before the work started.

Mr and Mrs R raised issues with the workmanship in their kitchen. They said the wrong sized kitchen units were ordered and these had to be re-done. QIC's notes show there was an issue with the worktop, but QIC felt Mr and Mrs R relationship with the contractor made it difficult to resolve this quickly. A surface repair company made a repair to the worktops which QIC funded. I've found it difficult to understand exactly what's happened here. I think the overall timeline of the claim probably added to the tensions between the parties. What is clear is there was some snagging that needed to be rectified. Whilst, it's fair to allow snagging to be addressed, I have no doubt it will have added to the further distress and inconvenience of this claim for Mr and Mrs R.

For the reasons I have set out, I don't think QIC has acted reasonably in this claim. I think the service provided has been lacking which has led to unnecessary and avoidable delays. Mr and Mrs R has been inconvenienced by having to get a plumber's report and quotes, which I think could've been avoided. I think the claims process has not been explained very well to Mr and Mrs R, nor implemented well by QIC. I have considered what the impact this had on Mr and Mrs R. The claim was delayed and still ongoing 12 months after the initial incident. This itself would be distressing. The condition of the kitchen was unsightly. The leak was reported to contain sewage, so from a hygienic point this is far from ideal and Mr and Mrs R explained that mould developed. Mr and Mrs R were likely to have been concerned that the leak may have recurred until it was fixed. Mr and Mrs R said they've not been able to use the kitchen properly whilst the snagging was ongoing. I recognise with any claim there will be some inconvenience for the claimants. However, I think Mr and Mrs R have been impacted significantly and for a long period of time with this claim. Therefore, I intend to award compensation for distress and inconvenience of £600. I think this is fair and in line with what our service would normally award.

Mr and Mrs R has said QIC still hasn't rectified all the faults on their snagging list. I don't have the information to comment on each aspect, but I think QIC needs to contact Mr and Mrs R and review what aspects remain outstanding and agree a plan to get these fixed where it's appropriate, so the claim can be closed. If Mr and Mrs R are unhappy with QIC's response, they should raise a new complaint".

Responses to my provisional decision

QIC accepted my provisional decision.

Mr and Mrs R accepted my provisional decision. They said they never received a receipt for the plumber's report as it was paid over the telephone. However, Mr and Mrs R said they could evidence the payment using their bank statement and by sharing the report itself.

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.

Given both parties have accepted my provisional decision, there is no reason to change it. I will allow Mr and Mrs R to provide their bank statement to QIC as proof of payment to the plumber along with the report itself.

My final decision

My final decision is I uphold this complaint, I require QIC Europe Ltd to:

- Pay Mr and Mrs R £600* compensation – for the distress and inconvenience the delay and poor handling of the claim has caused them
- Refund Mr and Mrs R for the cost of providing the plumber's report (on production of valid receipts / proof of payment)
- Review Mr and Mrs R's snagging list and agree a plan to get these points fixed where appropriate

* QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell it that Mr and Mrs R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 5 April 2022.

Pete Averill
Ombudsman