

## **The complaint**

Mrs V and Mr V complain about the handling of a claim under their home insurance policy by their insurer, esure Insurance Limited (esure).

## **What happened**

In October 2020 Mrs V and Mr V noticed water soaking through the walls of the utility room at their property. As they had home emergency cover as part of their home insurance policy (provided by a separate insurer, A) they contacted A, who said the policy didn't cover trace and access to determine the cause of the leak. They advised Mrs V and Mr V to engage a plumber to determine the source of the leak, and to contact them (A) once they'd done so. But Mrs V and Mr V had a separate home emergency policy with another insurer, who sent a plumber to the property and found the source of the leak and carry out a repair.

Given the damage from the leak, Mrs V and Mr V contacted esure to lodge a claim. esure appointed a surveyor (V) to inspect the damage and assess the repair work needed. V visited the property and appointed a firm (P) to dry the affected areas, which started. P said that the kitchen would need to be stripped out, which would affect the cooking facilities and potentially mean that Mrs V and Mr V would need to be offered alternative accommodation or disturbance allowance. Because the likely costs of repair were significant, esure also appointed a loss adjuster (S) to manage the work required to repair the damage.

esure tried to find alternative accommodation for Mrs V and Mr V (for the period when their kitchen was going to be stripped out) but their agents couldn't locate something suitable. As an alternative, they offered to provide a cooking 'pod' at the property, but they wouldn't agree to place this at the rear of the property due to the cost. Mrs V and Mr V elected to use their own contractor for the work, visiting the property in late November. The search for alternative accommodation and the alternative pod option took place in December and into January. The drying out of the property was completed in January. At that point there was potential further delay because of the impact of the second national lockdown.

Unhappy at the time being taken to assess the claim and carry out the repair and reinstatement work, as well as the difficult living conditions at their property, Mrs V and Mr V complained to esure in January 2021. The main issues of their complaint were that they weren't provided with trace and access cover to find (and fix) the leak. Also, they hadn't been provided with alternative accommodation as well as the delays to their claim being assessed and the repair work being carried out. They were also unhappy at what they thought was separate damage to the decoration of two bedrooms that they thought was the result of condensation from the drying operation. They were also concerned that esure wouldn't cover the cost of replacing matching worktops in the utility room.

esure considered Mrs V and Mr V's complaint but didn't uphold it. In their final response they said that the terms and conditions of the policy meant that trace and access wasn't provided. On alternative accommodation, esure said that S had sought to provide this but weren't able to secure suitable alternative accommodation. While temporary cooking facilities could be provided, the cost of placing this at the rear of the property couldn't be justified for the short time it would be needed. esure also thought the property was habitable and could be lived in. On the issue of the replacement of undamaged matching worktops, esure said that while the

policy didn't provide cover for undamaged items, but they were offering a 50% contribution (in line with guidance from this service). On the issue of damage to the upstairs bedrooms, esure said their surveyor had concluded the issues weren't related to the damage arising from the leak and had occurred gradually. esure also didn't think there had been undue delays in dealing with the claim and repairing the damage caused by the leak.

Mrs V and Mr V then complained to this service. They were unhappy at how their claim had been handled, that they weren't provided with trace and access cover and that they hadn't received alternative accommodation – which they thought had led to health issues for Mrs V from the difficult conditions at the property. They were also unhappy that damage to the bedroom decoration wasn't being covered, nor the replacement of utility room worktops.

Our investigator didn't uphold the complaint, concluding esure didn't need to take any action. On trace and access, she concluded that the policy with A didn't include this cover, so A hadn't made an error advising them they didn't have cover. And as Mrs V and Mr V were able to use their separate home emergency policy to secure a plumber to find the leak and fix it, this meant that there wasn't a claim against A. On alternative accommodation, she concluded that esure had tried to secure suitable accommodation, but circumstances meant they weren't able to find something. But esure had offered arrangements for cooking facilities to be provided. On the issue of delays in dealing with the claim, the investigator noted the impact of restrictions from the Covid pandemic but also concluded that there wasn't a period when the claim wasn't being progressed.

Mrs V and Mr V disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They thought A's refusal to carry out trace and access work caused delay and therefore made the damage worse. They were also unhappy at having to live in the property in damp and mouldy conditions, which affected Mrs V's health, as well as the time taken to assess the claim and repair the damage. They also thought that the issue with the bedroom happened during the drying out process and they'd provided video evidence to support their view, so should be covered by their claim. They also thought esure should bear the cost of replacing the worktops in their utility room.

In my findings I reached similar conclusions to those reached by our investigator on the main elements of the complaint. However, on the issue of alternative accommodation, while a pod (or alternative accommodation) wasn't ultimately provided, I thought Mrs V and Mr V did suffer stress and inconvenience from the situation, and the time that they were in that situation. I also took account of the impact on Mrs V and Mr V, in particular Mrs V's health. While I thought a degree of inconvenience was to be expected, I concluded esure needed to do more to recognise the stress and inconvenience to Mrs V and Mr V. Taking all the circumstances into account I thought £300 for distress and inconvenience would be fair.

Because I thought esure needed to do more to put things right, I issued a provisional decision to give both parties the opportunity to consider matters further, as set out below.

#### *What I've provisionally decided – and why*

*I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I'd first want to say to Mrs V and Mr V that I appreciate the damage from the leak and having to continue to live in the property would have been stressful. I also sympathise with the impact on Mrs V's health described to us when making their complaint. I've borne this in mind when deciding whether esure have acted fairly towards Mrs V and Mr V.*

*Coming back to the issues in Mrs V and Mr V's complaint, there are several main elements, which I'll consider in turn.*

*First, there's the issue of whether Mrs V and Mr V should have been covered (under the home emergency section of their policy) for trace and access work to find the source of the leak and to fix it. Mrs V and Mr V maintain that this should have been covered under that section of the policy (provided by A). A maintains that cover didn't include trace and access.*

*I've looked at the terms and conditions of the relevant section of the policy. Under the heading of General exclusions, it states that:*

*"We will not cover the following:...*

*12) Cost of Trace and Access to locate the source of the Emergency"*

*I think this exclusion is clear, so I've concluded that A acted in accordance with the terms and conditions of that section of the policy. From what Mrs V and Mr V have told us, they had a separate home emergency policy with another company, who were able to send an engineer to locate and fix the source of the leak. That being the case, I can't say that Mrs V and Mr V have lost out from A's decision (even though I think that decision was reasonable given the terms and conditions of the policy set out above).*

*The second issue concerns the provision of alternative accommodation. Mrs V and Mr V say they should have been provided with alternative accommodation (not just when the building work was due to take place) because of the extent of the damage caused by the leak, particularly to the kitchen and the extent of damp and mould arising from the leak.*

*esure say that the property was habitable but acknowledged that when the strip out of the kitchen was to take place, Mrs V and Mr V wouldn't have cooking facilities. While their agents tried to secure alternative accommodation for this period, they couldn't find something suitable. esure then offered to provide a pod that contained cooking facilities as an alternative (when the kitchen was to have been stripped out) but wouldn't agree to the cost of placing it at the rear of the property (which would have required the hire of a crane to lift it into the back garden, at an estimated cost of £2,500). They were prepared to place it at the front of the property. In the event, as I understand it, when the drying was completed it wasn't necessary to strip out the whole kitchen, meaning that a pod wouldn't be required.*

*Thinking about what happened and esure's actions, I think that while conditions at the property were difficult, particularly in the kitchen where trace and access of the leak had left a significant trench, they weren't uninhabitable. I think it was right for esure to recognise that when the kitchen was due to be stripped out, alternative accommodation would have been necessary and that their agents sought to arrange this. While unsuccessful, they offered an alternative (the pod). While Mrs V and Mr V would have preferred it to be located at the rear of the property, I don't think it was unreasonable for esure not to have agreed to this given the significant additional cost involved.*

*While it appears that a pod (or alternative accommodation) wasn't ultimately required, I do think Mrs V and Mr V have suffered stress and inconvenience from the situation, and the time that they were in that position. I've also considered the impact on them, in particular what they've said about Mrs V's health. While I think a degree of inconvenience is to be expected while a claim is assessed and reinstatement work carried out, I think esure needs to do more to recognise the stress and inconvenience to Mrs V and Mr V. Taking all the circumstances into account I think £300 for distress and inconvenience would be fair.*

*The third issue is the time taken to assess the claim and to carry out the work needed to repair the damage and reinstate the property. In thinking about this I've considered the period from the date of the leak (October 2020) to the date of Mrs V and Mr V's complaint to*

*this service (following esure's final response) in February 2021. I've looked at the sequence of events, I can see that once the leak had been located and fixed, esure appointed V to carry out an initial inspection of the damage and then P to begin the process of drying the property (October). Because of the likely cost of the repair and reinstatement work, S were appointed in early November. Mrs V and Mr V elected to use their own contractor for the work, the indications are that they visited the property in late November. The search for alternative accommodation and the alternative pod option took place in December and into January. The drying out of the property was completed in January. There is mention at that point of potential delays because of the second national lockdown that came in at that point, but that was outside of the control of either esure or of Mrs V and Mr V.*

*Considering the extent of the damage and the need to involve different parties for different roles, I don't think this timeline indicates avoidable delays from esure (or their agents) and there's clear evidence of discussions and communication between Mrs V and Mr V and the various parties. In the circumstances, I don't think there are grounds to say that esure should take further action.*

*The fourth issue concerns the damage to the decoration of the bedroom that Mrs V and Mr V say was a consequence of [condensation from] the drying out process. esure argue that there's no evidence that this is the case and that the issue isn't related to the incident and the subsequent reinstatement work (including the drying out).*

*I've considered the evidence available on this point. I've noted that esure's case notes refer to a discussion with P on this issue. P makes the point that the leak only affected the downstairs of the property (which is where the drying equipment was placed). Whereas the bedrooms were on the first floor. Also, the equipment was in place for some three months before the issue seemed to have emerged, and that the drying process would have reduced condensation. I've thought about the points from both parties, but on balance I'm persuaded by esure's view that the issue wasn't linked to the leak or the subsequent drying process. So I don't think there are grounds for asking esure to take any action.*

*The final issue concerns the cost of replacing the worktops in the utility room of the property. Mrs V and Mr V say that these should be replaced as part of the reinstatement work. esure say the terms of the policy don't provide for replacement of undamaged matching items (in this case the undamaged utility room worktops). But esure have offered to contribute 50% towards the cost of replacing the utility room worktops. I've considered both arguments, but I agree with esure. Looking at the terms and conditions of the policy, under the heading General exclusions which apply to this policy it states that:*

*"We will not pay for loss, damage or any liability resulting directly or indirectly from:...*

- Any extra cost of altering or replacing any items or parts of an item which are not lost or damaged or which form part of a set, suite or other article, of the same type, colour or design including wall or floor coverings."*

*I think this makes it clear that while the policy would cover the cost of replacing the kitchen worktops, it wouldn't extend to replacing the (undamaged) utility room worktops. While I can understand Mrs V and Mr V wanting the worktops to match, the policy doesn't provide for this. So, I think esure's offer to make a 50% contribution towards the cost of the replacement worktops in the utility room is fair.*

*Having reached these conclusions on each of the main issues within Mrs V and Mr V's complaint, I've thought about what esure needs to do to put things right. On the alternative accommodation point, while esure sought to secure suitable accommodation (but were unable to do so) and offered to provide a pod for cooking facilities, the fact remains that Mrs*

*V and Mr V had to remain in their property in circumstances that were clearly difficult. I've thought carefully about the circumstances, as well as the impact on Mrs V's health that they've described. I think that £300 compensation for the distress and inconvenience suffered by Mrs V and Mr V would be fair and reasonable.*

#### *My provisional decision*

*For the reasons set out above, it's my provisional decision to uphold Mrs V and Mr V's complaint in part. I intend to require esure Insurance plc to:*

- *Pay Mrs V and Mr V £300 in compensation for distress and inconvenience.*
- *Make a contribution of 50% towards the cost of the replacement worktops in the utility room.*

esure responded to say that they had nothing further to add.

Mrs V and Mr V responded to make several points. I've considered them in detail and set out what I see as the key aspects.

On the trace and access issue, Mrs V and Mr V said AXA would cover the cost of trace and access (up to £5,000) but they told Mrs V and Mr V it was their responsibility. Also, when AXA sent a plumber, they couldn't find the cause of the leak, leaving Mrs V and Mr V to engage a plumber under the separate cover they had with another insurer. This meant delay and more damage than needed.

On alternative accommodation, Mrs V and Mr V restated their unhappiness that alternative accommodation wasn't provided, and that their request for a pod to be placed at the rear of the property was rejected on the grounds of cost (even though the policy provided cover of up to £75,000 for alternative accommodation).

On the time taken to assess the claim and carry out repairs, Mrs V and Mr V said there were delays in the process, starting with the trace and access, then the need to appoint S to take on the claim, and the time taken looking for (but not securing) alternative accommodation.

On the damage to the decoration in the bedroom, Mrs V and Mr V said this didn't happen until halfway through the process of drying the property and affected two bedrooms. Also that they had been told (by a representative of the firm that installed the drying equipment) that the process of drying would drive moisture (from the affected parts of the property) into the air, leading to condensation forming (on the ceilings and walls of upper floors).

#### **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.

My role here is to decide whether esure have acted fairly towards Mrs V and Mr V.

I've considered each of Mrs V and Mr V's substantive points in turn. On trace and access, while Mrs V and Mr V had to engage a plumber under their separate policy, I considered this when I noted that in doing so they hadn't lost out financially. I accept it may have been the process took longer, as Mrs V and Mr V have said, but I'd expect the damage (including any that the delay may have caused) to be made good in the reinstatement work subsequently carried out. So, again I don't think Mrs V and Mr V would have lost out financially.

On alternative accommodation, I recognise Mrs V and Mr V's views and it was unfortunate that the efforts to secure alternative accommodation were unsuccessful. While the policy does provide for up to £75,000 for alternative accommodation, I don't think this means esure aren't able to make decisions to mitigate the costs involved (particularly the cost of placing a pod at the rear of the property). But I recognise the inconvenience of having to remain in the property in the conditions that Mrs V and Mr V described, including the impact on Mrs V's health. I thought £300 compensation for this factor was fair, and I haven't changed my mind on this point.

On the time taken to assess the claim and the reinstatement work, I considered this and set out the sequence of events and the involvement of different parties in my provisional decision. I concluded that the extent of the damage (and the need to involve different parties for different roles) didn't indicate avoidable delays from esure (or their agents). Also that there was clear evidence of discussions and communication between Mrs V and Mr V and the various parties. While I can understand Mrs V and Mr V's perspective, I haven't changed my mind on this point.

On the point about the damage to the bedrooms, I've considered carefully what Mrs V and Mr V have said, particularly the explanation they say they were given about the effect of the drying equipment and condensation. It seems that there's differing views on that impact the drying process would have had on the property, including the bedrooms on the first floor. While I'm not doubting what Mrs V and Mr V said they were told, I'm not persuaded that there's enough evidence to conclude that the damage in the bedrooms was caused by the drying process. So I haven't changed my view on this point.

Mrs V and Mr V didn't comment on the other substantive issue in their complaint (replacement of the utility room worktops). So, my conclusion on that point remains the same as that in my provisional decision.

Taking all these points into account, I haven't changed my mind about the findings and conclusions in my provisional decision, so my final decision remains the same, for the reasons set out above and in my provisional decision.

### **My final decision**

For the reasons set out above, it's my final decision to uphold Mrs V and Mr V's complaint in part. I require esure Insurance plc to:

- Pay Mrs V and Mr V £300 in compensation for distress and inconvenience.
- Make a contribution of 50% towards the cost of the replacement worktops in the utility room.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V and Mr V to accept or reject my decision before 28 April 2022.

Paul King  
**Ombudsman**