

The complaint

Mrs H complains how Ageas Insurance Limited has handled her claim on her home insurance policy.

What happened

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

- In December 2018, Mrs H made a claim on her policy for an oil leak at her property. Ageas appointed loss adjusters and an oil specialist to deal with the claim. The remedial works required excavations around the affected area of the property.
- Mrs H believes this work caused problems with the level of the water table. As after the excavations there was a constant influx of water to such an extent that pumps had to be installed both inside and outside the property.
- The kitchen required strip out works and excavation which meant the property was uninhabitable and therefore Mrs H and her family had to move to alternative accommodation. Over three years later, the claim still isn't fully settled.
- Mrs H complained to Ageas - about the handling of her claim. She said she was unhappy about the service she has received, the timescales of the claim, the lack of communication and unnecessary delays with the claim payments. Ageas agreed that the level of service hadn't met expectations and offered £150 in compensation.
- Mrs H remained unhappy and brought her complaint to this service.
- Our investigator upheld the complaint and said the compensation should be increased by an additional £650 (a total of £800). Also as Mrs H had to wait an unreasonable amount of time for her utility fees and other costs to be reimbursed Ageas should pay interest of 8% simple per annum on any utility fee or other claim related payment that Mrs H paid (and can evidence) from day 28 until the payment was (or is) made.
- Mrs H didn't feel the increased offer of £800 is sufficient. She says it does not reflect the psychological/emotional inconvenience and anxiety incurred. Ageas' loss adjuster offered to increase the compensation to £300 but needed to refer the rest of the investigator's recommendations to the Insurer. As no further response was received the complaint has been passed to me, an Ombudsman to make a final 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.

For ease of reading any reference to Ageas includes their agents.

I can see this is a long-standing claim and is still an ongoing some three years later. Unfortunately, due to the nature of the claim and then the additional issues of the influx of

water following the excavations this was always going to be lengthy claim and cause disturbance for Mrs H and her family. From what I've seen there appears to be some complex drainage issues that need to be resolved. Our investigator has made Mrs H aware that if she remains unhappy with the outcome of this part of her claim this will need to be raised by her in the first instance and addressed by Ageas under its complaint process. If she remains unhappy with its response, then she can look at her options to progress this part of her complaint further.

In Ageas' final response dated 7 May 2020, Ageas has agreed that its level of service hadn't met expectations and compensation of £150 was offered. When things hadn't improved five months later Mrs H bought her complaint to this service. From what I've seen there has been delays with reports getting from one party to another, and this has evidently delayed progress of the claim. There wasn't any active chasing for the reports and Mrs H wasn't kept up to date. There was then a further period where there was no progress with the claim until proposals for the drainage issue began to be explored.

In addition to this, Mrs H has covered numerous costs on the basis that the money would be reimbursed in a timely manner, but she's had to wait the best part of a year for some payments to be made. She asked for interest to be applied to these payments which would seem reasonable but this request hasn't been actioned.

Given the above I'm not persuaded Ageas' offer of £150 is sufficient compensation for the stress and inconvenience that Mrs H has faced. Due to some avoidable delays Mrs H and her family have been out of their home since March 2019, in addition they have suffered financial hardship due to delayed payments.

I agree with the investigator in the circumstances an additional £650 (a total of £800) is fair given all the issues highlighted. I also think Mrs H had to wait an unreasonable amount of time for her utility fees and other costs to be reimbursed. I of course understand when such costs are received their payment must be approved but I don't think this should take more than 28 days. Therefore, in addition to the compensation payment, I instruct Ageas to pay interest of 8% simple per annum on any utility bill or other claim related payment that Mrs H has paid (and can evidence) from day 28 until the payment was (or is) made.

Putting things right

I instruct Ageas Insurance Limited to:

- Pay £650 additional compensation (a total of £800) for the distress and inconvenience. Ageas must pay the compensation within 28 days of the date on which we tell it Mrs H 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% simple per annum¹.
- Pay interest of 8% simple per annum¹ on any utility bill or other claim related payment that Mrs H has paid (and can evidence) from day 28 until payment was (or is) made.

¹HM Revenue & Customs requires Ageas to take off tax from this interest. If it deducts tax it must give Mrs H a certificate showing how much tax, it's taken off if she asks for one.

My final decision

For the reasons given above I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 June 2022.

Angela Casey
Ombudsman