

The complaint

Miss O complains that Halifax General Insurance Services Limited (Halifax) has unfairly handled a claim made on her buildings and contents insurance policy.

What happened

In 2018, Miss O's house was damaged following an escape of water. She made a claim on her policy with Halifax which was initially rejected. After a complaint to Halifax the claim was accepted and Miss O has needed to make further complaints during the lifetime of the claim. Halifax has responded with a number of final responses.

In September 2019 Miss O complained that her flooring claim had been declined and she also complained about a previous cash settlement for another claim. This was considered by Halifax under its complaint reference ending 1218.

Halifax agreed the flooring cost would now be covered but explained why it had initially declined this and how this was linked with a previous claim which was cash settled. This settlement amount included money for the floor to be replaced but Halifax couldn't see this had taken place. However, on review of the claim in 2018, the flooring cost was agreed to be covered. Halifax also said that a specialist would be appointed to review the current damage and agree what Halifax was willing to cover under the claim. Halifax also said that with the new claim, it wasn't prepared to make a cash settlement and it would instead be appointing its own contractors to complete the works. But it explained how the cash settlement in 2016/17 was reached for the previous claim.

For the inconvenience experienced with this complaint, Halifax paid Miss O, £150.00.

In May 2020, Miss O complained to Halifax again. She was unhappy that items which she felt should have been included within her claim were being declined still. Specifically that a wall wasn't being repaired.

Halifax replied under its complaint reference ending 1391 on 11 May 2020. It said it was sorry that it had made mistakes with the claim again after making an incorrect decision to decline part of it. It confirmed the specialist sent following the complaint made in September 2019 had found evidence of water damage to the wall and agreed to cover this. It said it would work with its agent to organise the repair works and process for repairing the kitchen.

Halifax made a payment of £150.00 for the distress and inconvenience caused.

Following this response, Miss O complained to Halifax again. She explained she was unhappy that the internal wall damage wasn't covered as part of her earlier claim in 2016. Halifax had failed to provide an update following the specialist visit to assess this in 2019. And she asked that Halifax now cash settle the 2018 claim.

Halifax responded under the same reference on 18 May 2020. It said it didn't think it needed to do anything else with either the 2016 or 2018 claim in relation to the damage to the wall. It said regardless of when this damage is registered, Miss O still needed to pay claim excesses for the two separate claim events. It asked that she pay the excess for the 2018 claim so it could proceed with this. It said it didn't take any steps previously after the visit by its contractor as Miss O said she didn't wish to continue with the claim before, so it didn't think it had added a delay. But it said this claim could be cash settled if that was the preference of Miss O and that this could be arranged.

Miss O also complained that a delay had been added because the scheme of works proposed didn't include adequate provisions for matching set cover. Halifax responded to this with an extract of policy wording which said, in effect, that the policy didn't provide cover for matching sets. It would be liable for sourcing a suitable match for the damaged kitchen areas via its contractors.

The claim progressed and details of the cash settlement and Miss O questioned what and wouldn't be included within the schedule of works. However, unhappy with the progress and confirmation on what was included, in February 2021 Miss O complained again.

Halifax said it had made the decision not to cash settle the claim and would offer to complete the repair works itself. It apologised in its final response under the complaint reference ending 6835 for previously saying this could be cash settled. It said that its decision provided in the final response with the reference ending 1218 remained and the interim messaging on the cash settlement was wrong. To apologise it made a payment of £150.00 to Miss O for the inconvenience. It also covered a number of other points raised by Miss O.

Halifax said it had confirmed its position on matching sets under its complaint response reference ending 1319 and referred Miss O to this.

It didn't give a breakdown of the schedule of works but confirmed as it would now be undertaking the repairs, it would complete all relevant work needed. And as it was completing the works, the cost to it would be inclusive of VAT. With the repairs, if it meant Miss O needed alternative accommodation this would be provided, as would storage if needed. It then referred to part of its response under ref ending 1218 where it explained the full breakdown of costs and hours isn't something it could share as its commercially sensitive.

Miss O brought her complaint to this service and complained about the length of time the claim had taken as well as the decision taken by Halifax to not settle the claim in cash or to provide cover for matching sets. Halifax said it didn't consent to us considering some elements of the complaint when it was first brought. It felt it had made its position on the cash settlement and matching sets clear in earlier final responses and Miss O hadn't brought these complaints to us within the time required for them to be considered. It said it would consider the time delay as the claim handling in general and responded on this point under the complaint.

Halifax said it felt some delays had been as a result of not providing a full schedule of works and made an offer of £250.00 to Miss O for the inconvenience of this.

Our investigator said that they agreed the complaint about matching sets had been brought to this service too late. But she didn't think Miss O had brought her complaint about the cash settlement too late. She explained that the final response letter which said this wouldn't be paid was superseded by the letter sent in May 2020 and with this one saying the cash settlement would now be made, there was no reason for Miss O to question this until the change of decision in February 2021. She brought her complaint to us in March 2021 and because of this, had done so in time. Halifax agreed to us considering this part of the complaint.

Our investigator then explained why she didn't think due consideration on the reasons for the cash settlement had been given toward Miss O and her sons health and it was fair that this was considered by Halifax. She felt with this in mind, it was fair to ask it to cash settle the claim.

Halifax agreed with the investigator and offered to cash settle Miss O's claim. It said it would provide a cash settlement for all areas except for the floor and this would be at the cost it would have cost Halifax. With the floor it would, on receipt of two quotes from Miss O's preferred contractors and once the floor has been replaced, make payment to the value of the invoice to Miss O. It made this stipulation as it felt the floor hadn't been replaced previously as agreed with the cash settlement and it wanted to indemnify itself against the repair being needed again.

Miss O accepted the cash settlement and money offered for the delays – she wanted to get the claim progressed and Halifax to avoid further delay has organised payment. But Miss O still feels that her kitchen and the damage to this should be considered with matching sets cover being applied. She disputes this was brought too late and has asked that this point be considered by an ombudsman. Because of this, the complaint has been passed to me for 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.

Having done so, I'm in agreement with the outcome reached by our investigator. As Miss O has already accepted the cash settlement but said she feels pressured into accepting this with the caveat of the flooring being paid after the work is completed. And she also hasn't made it expressly clear that she accepts the offer of £250.00 for the delays on this case. So I'll cover this in my decision ahead of explaining why I feel we cannot consider the matching sets complaint point.

Miss O has explained how she feels the cash settlement should have always been offered because of her and her son's disabilities. Our investigator agreed and explained to Halifax that being able to have familiar people in Miss O's house has a big impact on her and her son. Halifax has now agreed to cash settle the claim and this is based, significantly, on it considering Miss O and her son's conditions. Halifax is entitled to settle claims as it sees fit and it has explained this with extracts provided in some of the final responses to Miss O. But it is important it treats customers fairly and thinks about the impact of the settlement provided. I think Halifax has done this and acted fairly when reconsidering the cash settlement on this basis for Miss O.

I know Miss O feels the requirements of the cash settlement are unfair and she feels forced to accept these. She is unhappy that she won't be paid directly for the floor until this work is completed. I don't think Halifax has been unreasonable when asking for Miss O to provide the quotes for her chosen tradesman to repair her floor, or to withhold the payment for this

until it is repaired. The claim is to cover the damage to the floor because of the escape of water and I think Halifax has acted fairly when it has allowed Miss O to organise trades people who she and her son might be more familiar with. And Halifax will cover the whole cost of this, even if the repair costs more than it might have cost itself. So overall I think it's made a fair offer with the cash settlement.

I also think the offer made by Halifax for the delays caused with the claim handling are fair. I don't think Halifax added any significant delay to the claim. The longest period of inactivity appeared to come when work couldn't take place because of the pandemic. After this was a period of no movement when Halifax believed that Miss O didn't wish to continue with the claim. But when this was clarified there appeared to be regular engagement on what was needed to move things forward, including then need for Miss O to pay the excess for the claim to be progressed. So overall, despite the event taking place sometime ago now, I think the offer of £250.00 for delays caused by Halifax is fair.

I know Miss O feels strongly that this service should be able to consider her complaint about whether Halifax is going to apply matching sets within its cash settlement. She thinks this cover should be there but Halifax said it addressed this in its final response in May 2020.

Having considered everything, I'm not persuaded our service nor I, can consider this part of Miss O's complaint.

We cannot consider every complaint that is brought to our service. The Financial Conduct Authority ('FCA') sets out rules which include which complaints we can and can't look into. We are bound by these rules called the Dispute Resolutions rules ('DISP') rules. They can be found in the FCA Handbook.

The relevant time limits here are set under DISP 2.8.2. This states this service cannot consider a complaint if the complainant refers the complaint:

"(1) more than six months after the date on which the respondent sent the complainant its final response, redress determination or summary resolution communication;"

Halifax addressed the cover Miss O has with her policy in its final response letter dated 18 May 2020. In this it explained what it thought about matching sets and that Miss O could bring her complaint to this service if she remained unhappy. But she'd need to do this within six months of the date of the letter. If she didn't, Halifax wouldn't consent to us considering the complaint. Miss O brought her complaint to this service on 8 March 2021. Because of this she brought her complaint too late.

The rules state that a complaint can be considered if it was brought late because of an exceptional circumstance. Miss O hasn't provided any reasoning that I consider to be an exceptional circumstance. So in the absence of this, I can't agree that this service is able to consider her complaint point about matching sets.

Putting things right

Halifax has already agreed to put things right as directed by our investigator. But for clarity if it hasn't already done so, it will now need to do the following:

- Cash settle Miss O's claim for all damage relating to the claim made in 2018.
- On receipt of the invoice provided by Miss O for the completed works to the floor, cover the cost of the replacement flooring.

- pay Miss O £250.00 for the distress and inconvenience caused with the delays added to the claim process.

My final decision

For the reasons explained above, I uphold, in part, Miss O's complaint against Halifax General Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 15 June 2022.

Thomas Brissenden
Ombudsman