

The complaint

Mr W has complained about his home insurer, Accredited Insurance (Europe) Ltd (AIE), regarding a claim he made when his house was flooded.

What happened

Mr W's home was flooded on 31 October 2021. The family lived in the damaged property – with downstairs soaked and unusable – until early December 2021. At that time work to dry and strip the home was planned, and the family moved into alternative accommodation. Mr W had paid the first month's rent up front and was expecting to be reimbursed quickly by AIE. But that money wasn't received until January 2022.

On 17 January 2022, AIE wrote to Mr W. AIE acknowledged there had been a delay in the claim and some poor service. It apologised. Mr W was unhappy. Having complained to this service in November 2021, when the family were still living in unsatisfactory conditions, Mr W reverted to us.

In March and into May 2022, Mr W let us know of progress on the claim, and his concerns that it was no progressing as he would have hoped. Our Investigator advised that whilst we could consider Mr W's initial concerns about the early months of the claim, we couldn't look, as part of this complaint, at what had happened after AIE's final response letter was issued on 17 January 2022.

Our Investigator felt the complaint should be upheld. She said AIE should pay Mr W £300 compensation for the upset caused by the delays, particularly in having stayed in the water damaged and uninhabitable home. It was also felt that AIE should be paying Mr W a disturbance allowance for the period since the claim until the family moved into alternative accommodation.

Mr W indicated his agreement with the compensation amount. But emphasised how worried he'd been during the first months of the claim. AIE didn't comment.

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 think AIE failed Mr W here. I know Mr W feels AIE's failures have continued even since its final response on this complaint, issued in January 2022. I'm sorry to hear that. But, as our Investigator explained, I can only consider here, in this decision, what happened until 17 January 2022. And, in that time, I think AIE could and should have done more to progress the claim and place the family into alternative accommodation. I also think it should have reimbursed Mr W's rent outlay much sooner than it did.

I know AIE initially had some policy liability concerns. But I think they could have been dealt with quicker. And in serious situations like this it is not unusual for an insurer to act on a without prejudice basis, to assist their policyholder by placing them into alternative accommodation, even whilst investigations into liability for the claim continue. AIE didn't do that here, even though it clearly knew, from as early as its loss adjuster's visit on 4 November, that the home was uninhabitable. Rather Mr W and his family were left to live in those terrible conditions, with the worry of what would happen with the claim on top, and for far longer than it should have taken AIE to resolve those concerns.

As a result of all that, Mr W was caused distress and inconvenience. I don't doubt that he incurred extra costs too – such happens when a family has to live in an uninhabitable home. When that does happen insurers often pay the policyholder a disturbance allowance that reflects the extra costs incurred for members of the family living in the home. It is usual for an insurer to pay a disturbance allowance at £10, per adult, per day (£5 per child). I'm satisfied that it is fair and reasonable to require AIE to pay that here. I also think that for the upset caused before Mr W moved out of the home and the worry he was caused when the rent reimbursement was delayed, £300 compensation is fairly and reasonably due.

Putting things right

I require AIE to pay Mr W:

- £10, per adult, per day for each person living in the uninhabitable home, from the date of the claim until they moved into alternative accommodation.
- £300 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint. I require Accredited Insurance (Europe) Ltd to pay the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 January 2023.

Fiona Robinson
Ombudsman