

The complaint

Mrs D and Ms D are unhappy with the way Ageas Insurance Limited handled a claim they made following damage caused by bad weather.

Mrs D has primarily dealt with the claim and complaint, so I'll refer to her only.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mrs D got in touch with Ageas after she discovered damage to her garage roof during a period of high winds.
- Ageas asked a surveyor, V, to inspect the damage. Based on an external inspection, they said the damage had been caused by wear and tear and not a storm.
- Mrs D was unhappy with this. She had a quote from a roofer for £1,950 who thought the damage was storm related. She said V hadn't taken that into account, or inspected internally, despite being asked to. And when she provided internal photos to V, it didn't respond to her.
- Ageas initially said the claim should be declined. It later accepted some of the roof damage has been caused by a storm. But it said some of the work quoted for by the roofer was to put right wear and tear. And it involved replacing the existing roof with a new covering that wasn't like-for-like. It made an offer of around £1,250 for the claim, before deduction of the excess.
- After Mrs D referred her complaint to this service, Ageas offered £100 compensation for the way the claim had been handled.
- Our investigator thought Ageas had reached a fair position by making an offer to settle the claim and to pay compensation. She noted Ageas was only required to pay for the damage caused by storm and not anything caused by wear and tear.
- Mrs D didn't think Ageas' offer was fair. She accepted there was a small area of wear and tear, but she didn't think this amounted to £700 of work. And she said the roof couldn't be replaced like-for-like because of its age.

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.

Mrs D's home insurance policy provides cover for, amongst other things, damage caused by storm. Ageas now accepts there was storm damage and has made an offer to settle the claim. In summary, the dispute is about the value of the claim settlement offer – and the way the claim was handled.

Claim settlement

I think there's been a misunderstanding in the reasoning behind Ageas' offer. It's not valuing the wear and tear at £700. Instead, V estimated how much it would cost it to carry out the work to repair the storm damage, like-for-like, and that came to £1,250. Some of the difference between this amount and Mrs D's quote will be for wear and tear. But not all of it.

Some will be because Mrs D's quote is for a roof which isn't like-for-like. And some may be the result of V charging different rates for repairing the storm damage than the roofer. Insurers often have rates with their network of agents that are more favourable than the open market.

Ageas has pointed to a policy term about claim settlement. In summary, it says Ageas will decide whether to settle the claim by repairing damage or paying the cash equivalent. It notes the cash value will be based on what it would cost Ageas to do the work. This kind of term is common amongst buildings insurance, so it's not unusual.

When settling a claim for damage, I'd generally expect the insurer to offer to carry out the work or pay the cost to the consumer of having it done. That ensures the consumer doesn't lose out where insurers can access rates more favourable than the open market. However, there may be times where that general approach isn't appropriate. I think this is one of those times and I'll explain why.

Ageas didn't offer to do the work. It says this is because it would have been unable to carry it out effectively given the wear and tear and the condition of neighbouring roofs. Based on the evidence I've seen, including photos, I'm persuaded this is likely to be the case. It doesn't appear the storm damage could be repaired in isolation. And I don't think the need to put right the other damage has come about as a result of the storm – it was likely already there.

Because of this, I'm satisfied it was reasonable for Ageas to pay Mrs D what it would have cost V to repair the storm damage. I recognise that leaves her with a shortfall to make up. But overall, I think Ageas treated her fairly by accepting there was some storm damage to the roof and making a cash offer.

Claim handling

Ageas has conceded V's initial decision to decline the claim was incorrect. It also agreed with Mrs D that the way V handled things caused an avoidable delay. I think it also added unnecessarily to the inconvenience caused to Mrs D.

It's disappointing to see Ageas noted the shortcomings in the service provided when responding to Mrs D's complaint but didn't offer any compensation. But once prompted by our investigator, it did so.

Overall, I'm satisfied £100 is reasonable compensation in the circumstances.

My final decision

I uphold this complaint. I require Ageas Insurance Limited to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Ms D to accept or reject my decision before 17 August 2022.

James Neville
Ombudsman