

The complaint

Mr F complains about the way Acromas Insurance Company Limited (“Acromas”) handled his home insurance claim. Any reference to Acromas in this decision includes respective agents.

What happened

- In May 2020 Mr F made a subsidence claim on his Acromas home insurance policy.
- The claim was initially declined and closed by Acromas on the basis that the information it had seen regarding the damage didn’t indicate subsidence.
- The claim was reopened and accepted in September 2020 after Mr F reported the cracks getting bigger and Acromas then arranged a sight visit which led to a conclusion that subsidence was in fact the likely cause.
- Monitoring of the subsidence began and ran as it should until July 2021 when Mr F says Acromas then caused unnecessary delays, failed to communicate with him as it should have and incorrectly informed him he didn’t need to pay his £1,000 excess – later retracting this and advising no work would be carried out on his property until it was paid. Mr F complained to Acromas about these points.
- Acromas upheld Mr F’s complaint in its entirety. And alongside agreeing to take the necessary steps to get the claim back on track it offered him £300 compensation for the distress and inconvenience caused.
- Mr F didn’t think the amount offered was fair and complained to this service.
- Our investigator considered the complaint and was of the opinion the delays hadn’t been fully accounted for by Acromas when calculating the compensation. He also said it needed to further recognise the impact its misinformation about the excess had on Mr F. So he said Acromas should increase the compensation to £650.
- Acromas disagreed. It said the compensation it had already offered fairly reflected the delays caused. And while it accepted it told Mr F he didn’t need to pay the excess; it didn’t think it should have to award more money for human error when the correct excess information is set out in Mr F’s policy documentation.
- The complaint has been passed to me 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.

Having done so I’ve decided to uphold this complaint and I’ll explain why.

- In this decision, I can only consider the complaint Acromas responded to in its February 2022 final response letter, which it upheld in full.
- What seems to be left in dispute from this complaint, is whether or not Acromas has offered fair compensation for the distress and inconvenience caused to Mr F as a result of its poor handling of his claim. And that’s what I’ll consider in this decision.
- Acromas is required to handle claims promptly and fairly. But it’s accepted it’s fallen short of this to some extent in this case.
- Mr F says the impact of this has caused him significant anguish and stress and has

further delayed him putting his house on the market to move nearer to elderly family. He's also had to borrow money to pay the policy excess of £1,000 after spending it when he was misinformed by Acromas that it didn't apply.

- I accept this caused a great deal of upset to Mr F, further compounded by the experience of delays and the poor communication from Acromas throughout a notable portion of the claim history.
- But for Acromas' error regarding the policy excess, I think it's unlikely Mr F would've had to borrow the money he previously had set aside to pay it. So I can understand why he feels very upset about this and thinks he's been treated unfairly by Acromas.
- While the policy excess does fairly apply as set out in the policy documents, the fact is, Mr F was told by Acromas that it didn't. I don't think it's unreasonable he took it at its word and ultimately spent the money he'd set aside for it.
- So while it's fair that Mr F paid the policy excess, I agree with our investigator that Acromas' compensation should take into consideration the impact the misinformation regarding this had on Mr F.
- I say this because, this error not only resulted in a loss of expectation regarding the policy excess but also the inconvenience and unexpected financial impact of having to pull together a large sum of money at short notice so that the claim could proceed.
- Acromas accepts there have been several avoidable delays in this case and these have had a considerable impact on the progression of Mr F's claim.
- In addition to the delays Acromas accepts it caused, I'm also persuaded it could've done more when Mr F first logged the claim in May 2020 to accurately determine the cause of the damage being claimed for which most likely would've meant the process of repair works could've started sooner than it did.
- With all this in mind and on balance of what I've seen overall in this case, I'm persuaded there's been a considerable amount of upset and inconvenience caused to Mr F as a result of Acromas' poor handling of his claim. And I'm not satisfied the impact of this has been fairly reflected in the compensation it's already offered Mr F.
- It follows I agree with the investigator that Acromas should increase its offer of compensation to Mr F from £300 to £650.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and direct Acromas Insurance Company Limited to pay Mr F a total of £650 compensation for the distress and inconvenience caused in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 21 September 2022.

Rosie Osuji
Ombudsman