

The complaint

Mr M has complained about the way Allianz Global Assistance dealt with a claim he made under his Home Emergency policy.

What happened

On 24 December 2020 Mr M contacted Allianz as his roof was leaking and water was coming into his home. Allianz arranged for a contractor to attend on 30 December 2021. But the contractor didn't arrive and Mr M says this was rearranged for the following day, but again the contractor didn't arrive.

On 13 January 2021 Mr M got in touch with Allianz as a contractor still hadn't arrived. Allianz said somebody would be in touch shortly.

On 25 January 2021 Mr M told Allianz nothing had changed and so he asked if he could arrange for the leak to be repaired himself and for Allianz to reimburse him for the costs. Allianz agreed and Mr M arranged for repairs to be done. To stop further leaks into his home On 3 February 2021 Mr M sent Allianz an invoice for the repairs which Allianz said it would reimburse him for.

Mr M complained to Allianz. He said as a result of the delay the inside of his home had been damaged. He wanted Allianz to meet the costs of the internal damage caused by the delay.

Allianz accepted it had provided a poor service and said it had given feedback to the relevant parties. But it said it wasn't responsible for any consequential damage and that Mr M would need to contact his home insurance provider to make a claim.

Mr M remained unhappy and asked us to look at his complaint. He told the Investigator he hasn't yet had the internal repairs completed. Mr M described the impact of the delay on him and his son. He said he had to take days off work while expecting a contractor to attend, but they didn't arrive. He said it was very stressful as there was further bad weather and rain was pouring into his home while he was waiting for assistance from Allianz.

Our Investigator thought it was difficult to tell what damage was caused by the initial leak and what was due to the delay caused by Allianz. But Mr M had explained that when he first contacted Allianz, repairs were limited to one ceiling requiring a fresh coat of paint. However, by the time the repairs were carried out which was over a month later, there had been further rain and so if Allianz had acted promptly, Mr M would more likely than not have been put to the necessity to claim under his home insurance policy in order to repair the damage.

So the Investigator thought the fairest outcome was for Allianz to be given the opportunity to assess Mr M's claim for consequential damage – either by way of a cash settlement – or to arrange for an approved contractor carry out the repairs.

The Investigator thought Allianz should consider Mr M's claim for loss of earnings subject to reasonable proof for the time he took off for missed attendance(s) by a contractor.

And he thought Mr M should be compensated for the distress and inconvenience Allianz's delay caused him. For this the Investigator recommended Allianz pay Mr M £150 compensation.

Allianz didn't reply. Mr M said he would prefer a cash settlement.

So the case has been passed to me to decide.

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.

Mr M has provided a copy of a quote he's obtained to repair the internal damage to his home. This comes to £1,056.00. It's not clear if this is inclusive or exclusive of VAT.

Mr M's policy with Allianz has the following exclusion which it is relying on:

General exclusions applying to the whole policy

“Any indirect loss or any other cost or loss that is not directly caused by the event that led to your claim”

I don't think there is anything wrong with this term if Allianz had promptly dealt with Mr M's request for assistance under the policy. However in this case Allianz failed to provide prompt assistance for an emergency and I think it's reasonably safe to conclude that there was consequential damage from the ongoing leak because of Allianz's failing.

So I think the fairest outcome is for Allianz to assess the claim for consequential damage, provide a Schedule of Works (SOW) and settle the claim. It's for Allianz to decide if it would prefer to settle the claim by way of a cash settlement. But I think it should be given the opportunity to arrange for the repairs to be done by an approved contractor for the damage caused by its poor service if it prefers to do this.

I think Allianz should consider a claim for Mr M's loss of earnings subject to reasonable proof of loss for the days Mr M says he took off to wait for a contractor. Mr M says the contract he is working under means when he takes time off he isn't paid.

While it's expected to have a degree of inconvenience when dealing with any claim, Mr M has described the impact of the delay caused by Allianz. He said he had to move his son from his bedroom to live downstairs and he was concerned about electrics upstairs due to the water ingress. Mr M says it was distressing for him to manage the changes for his son who is living with a health condition – and for having to chase Allianz each time the contractor didn't arrive while the leak wasn't repaired for over a month – until he made his own arrangements.

So I think Allianz should pay Mr M £150 compensation for the distress and inconvenience it's poor service caused him.

My final decision

My final decision is that I uphold this complaint. I require Allianz Global Assistance to do the following:

- Assess Mr M's claim for consequential damage as a result of its delay.
- Consider Mr M's claim for loss of earnings for the days he says he took off work when a contractor didn't arrive – subject to proof of loss from Mr M.
- Pay Mr M £150 compensation for the distress and inconvenience caused by Allianz's poor handling of his claim.

Allianz Global Assistance must pay the compensation within 28 days of the date on which we tell it Mr M 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 a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 August 2022.

Geraldine Newbold
Ombudsman