

The complaint

Mr and Mrs R complain about how HDI Global Specialty SE dealt with and settled their claim on their home insurance following an escape of water.

All references to HDI include the actions of its agents.

What happened

Mr and Mrs R had home insurance that was underwritten by HDI. In March 2021 they made a claim following an escape of water from a pipe in a bathroom sink that caused substantial damage. HDI accepted the claim and carried out repairs. However Mr and Mrs R were unhappy with the standard of repairs and said the contractors had caused further damage.

They appointed their own contractor who quoted around £7,000 to complete the repairs and rectify the damage. They provided this to HDI but it only agreed to pay an additional £1,700, which it later increased to £2,000. It said, while it accepted that some work needed to be rectified, a lot of the work included in the scope was not related to the claim or the repairs.

Mr and Mrs R made two complaints in this time, about the handling of the claim and the settlement. HDI offered £350 for the delays it had caused up until the work began in August 2021. But it said the settlement it had offered had been fair.

Unhappy with this, Mr and Mrs R brought their complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld in part. While she thought the settlement offered was fair, she felt HDI should pay an additional £350 for delays in paying the claim that meant Mr and Mrs R were without a shower in their en-suite bathroom for longer than they should have been.

While Mr and Mrs R felt the settlement should still be higher, they accepted our investigator's outcome. However HDI didn't, as it thought the original £350 offered was enough to make up for the delays. It said the settlement was only not paid earlier because Mr and Mrs R had refused it.

As agreement hasn't been reached, the complaint 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.

There are two main issues that remain outstanding as part of this complaint – the settlement for the repairs and rectification work and the compensation. I'll address each in turn.

Repairs

There is no dispute that some additional work is needed to rectify poor work carried out by HDI's original contractor. However what is in dispute is the amount this will cost to put right.

Mr and Mrs R have provided a scope of works for the repairs they say are required. This comes to over £7,000. This is nearly the same amount as the repairs cost in the first place, so it seems much higher than I would expect for rectification work when even just considering the figure.

I've also looked at the report and the conclusions very closely match those of HDI. And it's only the work required to repair it that differs. With their report suggesting for example that all tiles in the shower should be removed and the area be fully re-tiled, when it's only a few tiles that have been poorly installed. Mr and Mrs R haven't provided anything to show that the level of repairs quoted in the report is necessary in order to put things right. HDI has provided a scope that agrees with the conclusions in their report, but suggests different work to rectify it. So I've seen nothing to show that the work detailed in this isn't sufficient.

In addition, HDI offered to reattend the property to inspect the work again and see if there is anything further that needs adding to the scope. This offer was declined by Mr and Mrs R, which I understand. However instead HDI said it would pay an additional £300 to bring the settlement to £2,000. And I think that's fair in the circumstances.

For these reasons, I think HDI has offered a fair settlement based on its contractor's scope of the required repairs. And I've seen nothing to persuade me this isn't sufficient for the work required. I therefore direct HDI to pay the £2,000 settlement if it hasn't done so already.

Compensation

HDI has already offered £350 for delays it caused up until the work started. However I agree this isn't enough to cover the distress and inconvenience it's caused.

It offered a cash settlement of £1,700 in October 2021. This was later increased in February 2022. And while some of this delay was due to Mr and Mrs R's refusal to have the contractors return, from looking at the internal correspondence from HDI it took much longer than it should to conclude that it would offer an independent surveyor in the first place. Which delayed the settlement further.

And during this time Mr and Mrs R weren't able to carry out the work needed in order to fix their en-suite shower, which meant they were without the use of that shower for many months.

I agree with our investigator that HDI could have done more to ensure an interim payment was made while settlement was being agreed. Especially as I've seen that it had Mr and Mrs R's bank details on file. Had it done this in October 2021, Mr and Mrs R would have been able to fix the shower much earlier and avoided a number of months of inconvenience.

Further, the reason for the delay of the final settlement is because of the poor work carried out by HDI's original contractor. So while I note HDI don't agree it's responsible for the delay in making a payment, I don't agree there would have been anywhere near as much of a delay had the repairs been done correctly in the first place. And as these were carried out by its agent, then it is responsible for this delay.

Finally, HDI has said that as Mr and Mrs R had a family bathroom, it shouldn't pay compensation for the shower being out of use in the en-suite. I agree that this didn't prevent Mr and Mrs R from having access to a shower, if it had I would recommend a much higher amount. But not having use of an additional shower in a family home, would cause some inconvenience and I don't think the £350 already offered is enough to make up for that.

So considering everything, I agree with our investigator's recommendation that HDI should

pay an additional £350, on top of what it has already offered. Therefore it should pay a total of £700 to resolve the complaint.

My final decision

For the reasons I've given, I uphold Mr and Mrs R's complaint. I direct HDI Global Specialty SE to:

- Pay Mr and Mrs R a total of £700 compensation, made up of the £350 already offered and an additional £350. Less any payments already made.
- Pay Mr and Mrs R £2,000 to settle their claim, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 14 September 2022.

Sophie Goodyear
Ombudsman