

The complaint

Mr M has complained about the way Fairmead Insurance Limited dealt with a claim he made for storm damage to a roof under his home buildings insurance policy.

All reference to the insurer Fairmead in my decision includes its agents.

What happened

Mr M made a claim to Fairmead for storm damage which he says occurred on 29 and 30 January 2022. Fairmead instructed a Surveyor to attend Mr M's property.

The Surveyor estimated the costs to repair the incident related damage to the roof at £519.06. Mr M said he had obtained a quote before the Surveyor's visit from a contractor with an estimate of £4,470 including VAT. Fairmead went on to offer the sum of £519.06 to Mr M as a cash sum to settle his claim.

Mr M complained to Fairmead. He was unhappy that the Surveyor pressurised him to sign a form to accept the cash settlement which he was unable to read without his glasses. Mr M said the Surveyor asked him what his excess was. Mr M didn't think he should have been asked to provide this as it shouldn't have been relevant to the claim costs the Surveyor was to provide.

In March 2022 Fairmead replied to Mr M's complaint. It said the contractor apologised for the incident relating to Mr M being asked by a Surveyor to sign the settlement agreement form.

Fairmead said it had reviewed a quote provided by Mr M from contractor 'A' in February 2022. But it queried the labour rates for the work and asked for a further breakdown which was provided.

Having reviewed the further breakdown, Fairmead said the labour costs from contractor A were excessive. So Fairmead gave Mr M the option to have one of its contractors carry out the works instead of accepting a cash settlement.

For the inconvenience caused by the Surveyor's handling of the signing of the form, Fairmead paid Mr M £100 compensation. It asked him to contact it to let it know which option Mr M wanted to take in order to settle his claim.

Mr M remained unhappy and asked us to look at his complaint. He didn't think it fair that Fairmead had issued a final response to his complaint before considering estimates he provided - he provided a total of three estimates which he says were all far in excess of the £519.06 cash settlement offer.

Our Investigator thought Fairmead had acted reasonably. It had offered for Mr M to use an approved contractor to carry out the works. As Mr M didn't want to do this, he thought Fairmead's decision to settle the claim by paying a cash settlement - applying its approved contractor rates - was fair and in line with the policy terms. The Investigator recommended Fairmead settle Mr M's claim by increasing the cash settlement sum to £747.06 based on its preferred contractor rates - minus the excess of £500.

Fairmead accepted the Investigator's findings.

Mr M didn't agree. In summary he says it was very difficult to get contractors out to do works at the time due to demand as a result of storms in the area. The reason why he didn't use an approved contractor was because of the way he was treated during the inspection, which Fairmead accepts.

Mr M has provided photos of the roof which he says shows further damage as a result of further high winds. Mr M says if he hadn't paid for these repairs there was a risk of injury as the family vehicles are parked directly under the carport damaged roof.

Mr M says he did discuss the risk of further damage with Fairmead's agent.

So as Mr M didn't agree, 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's policy with Fairmead says the following in relation to how it can settle a claim: This isn't an unusual term as I find it in most (if not all) property insurance policies.

"6. Our rights when you make a claim

- i) We may nominate one of our specialist suppliers to repair or replace the property claimed for. Where you prefer to use your own tradesman, or we elect to settle the claim by cash payment, the amount we pay you will not exceed what we would have paid our supplier, except when our supplier is unable to repair or replace the property."*

I understand Mr M was unhappy with the actions of the Surveyor who attended. However, I think Fairmead fairly compensated Mr M for the inconvenience caused here. I don't think this failing means therefore that Fairmead unreasonably settled the claim.

Before the works had been carried out, Fairmead gave Mr M the option to provide alternative quotes - or he could have an approved contractor carry out the works. If Mr M had chosen an approved contractor, Fairmead would have covered the claim for incident related damage and Mr M would have paid the excess of £500.

I think Fairmead properly reviewed the estimates provide by Mr M - even if this was after it issued its final response. And having reviewed its findings, I think it's decision not to meet the labour costs of contractor A was a reasonable one. Based on the information it's provided using it preferred contractor rates, I think a fair cash settlement for Mr M is £747.06 minus the applicable excess due under the policy.

I can see from notes provided by Fairmead and its agent that there was further discussion with Mr M after he provided all estimates - and that Mr M was concerned about ongoing damage. But I can see that Fairmead recommended Mr M seek assistance under a Home Emergency policy and provided contact details so that Mr M could arrange for interim safe repairs to be done.

I realise Mr M will be very disappointed with my decision. But I think the increase in the cash settlement based on the approved contractor rates is a fair outcome and in line with the policy. So I'm not asking Fairmead to pay any more.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require Fairmead Insurance Limited to pay Mr M a total cash settlement of £747.06 minus the excess due under the policy for his claim.

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

Geraldine Newbold
Ombudsman