

## **The complaint**

Mr G complains about a claim for water damage on his home insurance policy underwritten by Accredited Insurance (Europe) Ltd. His claim was declined many months after repair work had already been authorised and started.

## **What happened**

Mr G suffered water damage following a leak from a pipe to his kitchen sink and dishwasher. So he contacted his insurer and submitted a claim in August 2021. Mr G was told a contractor would be appointed and work would start straight after Christmas. He was then told it wouldn't begin until the end of March 2022.

Mr G said he'd already been without access to his kitchen for six months and work hadn't even started. So he found a local contractor and submitted a quote to his insurer. The quote was approved but Mr G was asked to provide a second quote once the kitchen units had been removed and the full extent of the damage could be seen. After Mr G submitted the second quote a loss adjuster was appointed. Mr G was then told he should be claiming on his previous home insurance policy as the damage had begun at an earlier date. And the repairs to Mr G's kitchen were stopped.

Mr G said he didn't understand why it'd taken six months for the loss adjuster to get involved. He'd already been given permission to start the repairs. And he's now been without a functioning kitchen for over a year.

Accredited accepted the decline of Mr G's claim should've happened much earlier based on the information it'd seen. But it felt it'd declined the claim correctly as it related to a pre-existing condition. The policy had been taken out three months before the claim had been submitted. And a leak would not have been able to cause such substantial damage in that short period of time.

The loss adjuster's report confirmed the amount of rot indicated an existing issue that'd begun before the policy was taken out. And cover couldn't be provided if the issue had taken place outside of the policy terms. But Accredited offered Mr G £300 compensation as a gesture of goodwill for any distress or inconvenience that might have been caused.

Mr G wasn't satisfied with Accredited's response. So he contacted our service and our investigator looked into the matter. She accepted a strict interpretation of the home insurance policy terms and conditions would mean the claim wouldn't be covered. But she didn't think that would be a fair outcome.

Our investigator said that some of the damage had occurred during the most recent policy period. And while it was possible some might've started before the cover began it would be impractical to know where to separate the matter. So our investigator felt Accredited should take the lead and deal with the claim.

She could see Mr G and his family had suffered considerable upset and inconvenience and had been without a functioning kitchen for a year so far.

So our investigator felt Accredited should pay an additional £450 on top of the compensation previously offered. Mr G and his family had suffered considerable upset and inconvenience for a long period of time. And the repair work was still to be completed.

Accredited accepted our investigator's recommendations and said it was happy to address the claim first. Any efforts to seek contribution from the previous insurer would be done separately after it'd settled the claim. But it asked why additional compensation was necessary.

Our investigator explained in detail how she'd arrived at the increased compensation award. And she asked Accredited to confirm if it accepted the increased award. As no response has been forthcoming this complaint has been passed to me for an ombudsman's 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.

I'm sorry to hear about the difficulties Mr G and his family have been experiencing. The delays in resolving the water leak have made a stressful situation even worse. And I understand Mr G is still awaiting confirmation that repairs can begin.

There are two key issues that need resolving and I will deal with each in turn. Firstly I can see Accredited considered our investigator's view and agreed to take the lead on covering the damage to Mr G's property.

I've looked at the wording of the terms and conditions of the home insurance policy. I've considered the difficulty of determining when the leak started, how much damage had been caused before and how much damage was caused after the Accredited policy came into place in May 2021. And I've thought about when Mr G would've been aware, or should've reasonably been aware, that the damage was taking place.

Based on everything I've seen I think our investigator was right to ask Accredited to take the lead on dealing with Mr G's claim. And I'm pleased to see it has agreed to do so. Accredited has stated it will deal with Mr G's claim and then discuss any contribution from the previous insurer after the claim has been settled.

I think that's the right outcome. There is a pressing need for the water damage to be dealt with as a priority after such lengthy and unnecessary delays. And I agree Accredited should take responsibility for urgently dealing with Mr G's claim and then discuss contribution from the previous insurer as a separate matter once the work has been completed.

Mr G has been put through considerable trouble and upset by the way his claim has been dealt with. It took six months before he was notified his claim had initially been declined. The strip-out work in the kitchen was halted and no further progress has taken place for over a year. Accredited has accepted it could've responded sooner and should've carried out further investigations in September 2021.

I've looked at everything Mr G has been put through. I would consider a functioning kitchen to be a basic necessity but Mr G and his family have been without access to kitchen facilities for over a year.

The family have had to use the back door to enter the property for all of that time. And Mr G has had to chase contractors and insurers for action while dealing with the poor health of his wife.

I can see our investigator recommended that Accredited increase its offer of compensation for the distress and inconvenience caused to Mr G from £300 to £750. Given the considerable inconvenience and distress caused by the lengthy delays and the impact of being without a kitchen for over 12 months I think that's an appropriate response. The repair work hasn't started yet and Mr G and his family will be put to further inconvenience while the repairs actually take place.

### **Putting things right**

To put things right Accredited should accept Mr G's claim as it has already agreed to do. I would expect Accredited to contact Mr G with some urgency to agree a suitable plan of works to repair the damage and restore Mr G's access to a functioning kitchen area.

I understand Mr G has already provided his own contractor's estimates for repairing the damage if the insurer's contractors are unable to carry out the work within a reasonably short timeframe.

And in recognition of the lengthy and considerable distress and inconvenience caused Accredited should increase its offer of compensation from £300 to £750.

### **My final decision**

My final decision is that I uphold this complaint. Accredited should accept Mr G's claim for water damage, as it has agreed to do, and deal with the issue of contribution from the previous insurer as a separate matter after the work is completed.

Accredited should also pay Mr G a total of £750 compensation for the considerable trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 October 2022.

Andrew Mason  
**Ombudsman**