

## **The complaint**

Mrs W complained about Fairmead Insurance Limited. She wasn't happy about the way it handled a claim under her home insurance policy and the reserve that was placed on the claim.

Other companies have been involved in this complaint, but as Fairmead are responsible for it, I've just referred to Fairmead in this decision.

## **What happened**

I looked at this case and provided my initial thoughts in my provisional decision as follows;

*Mrs W made a claim under her home insurance policy after a fire at her rented property. But she wasn't happy about the way it handled the claim, the reserve it placed on the claim, and that it delayed in paying her loss of rent payments. So she complained to Fairmead about this.*

*Fairmead accepted that it delayed matters and offered £50, which it increased to £100, by way of compensation. But Mrs W remained unhappy, so she complained to this Service.*

*Our investigator looked into things for Mrs W. He accepted Fairmead had delayed matters and provided a poor service at times, but he felt its offer of £100 compensation in acknowledgement of this was fair.*

*As Mrs W didn't agree, believing that she should be paid £500 in compensation, the matter has been passed to me for review.*

## **What I've provisionally 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'm intending to uphold Mrs W's complaint and increase the level of compensation but by a further £100 (£200 in total). I'll explain why.*

*I think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.*

*I can understand why Mrs W is unhappy with the delays in settling the claim and poor service provided which Fairmead has accepted by apologising and offering her £100 by way of compensation. But I don't think this goes far enough. Unfortunately, there is always a fair degree of stress and inconvenience in advancing an insurance claim, especially in a claim*

*like Mrs W's following a house fire. And a lot of the stress and inconvenience here has been caused by the general difficulties in advancing a claim like this so I don't feel the compensation level should be increased to £500 as Mrs W has suggested.*

*I understand that Fairmead has agreed to pay Mrs W's loss of rent now, so this hasn't formed part of this investigation. If there is any further delay with this Mrs W would need to raise a further complaint with Fairmead about this but I have considered the delay up until the date of Fairmead's final response letter (13 April 2022). And I don't think Fairmead's offer of £100 compensation fully took into account the delays caused in advancing the payment of loss of rent. And it didn't take account of the fact that Fairmead didn't send various documents to Mrs W that it should have done. As our investigator explained when he sent the documents these should have been sent for transparency and would have helped Mrs W to understand why the claim level had been set as high as it had and the extent of the claim generally.*

*I know Mrs W feels that the reserve for the claim was set too high and that this impacted on her premium levels at renewal. But, as our investigator explained, Fairmead set the reserve in line with industry standards and an initial reserve can often be higher than the final amount and often cover the possibility of costs increasing as a claim goes along – in effect they often cover the worst case scenario. I can see that Fairmead have revisited this as it has gone along and reduced the figure, so I think it has acted reasonably here.*

*Given all of this I think that the fair and reasonable thing to do, in the particular circumstances of this case, is to increase the level of compensation by £100 (£200 total). I say this as Fairmead have delayed the claim on a number of occasions, including advancing the loss of rent, and it didn't send out documentation that I would have expected it to. And all this caused Mrs W stress, inconvenience and worry at an already difficult time.*

## **Replies and developments**

Both sides responded to my provisional decision. Fairmead just outlined that it agreed with my position while Mrs W said she accepted the increase in compensation although she still felt that the level should be increased.

## **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.

As both sides accept the provisional decision I don't propose to go over the finer detail of this complaint again. And having considered everything again I maintain that the fair and reasonable thing to do, in the particular circumstances of this case, is to uphold this complaint lifting the compensation from £100 to £200 (total).

## **My final decision**

It follows, for the reasons given above, that I'm upholding this complaint and so I require Fairmead Insurance Limited to pay £200 (total) in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 November 2022.

Colin Keegan  
**Ombudsman**