

The complaint

Mr and Mrs S complained about HDI Global Specialty SE. They weren't happy that it delayed dealing with their claim under their landlord residential insurance policy following an escape of water at their rental property.

What happened

Mr and Mrs S made a claim under their landlord residential insurance policy after an escape of water. But the claim was delayed, partly because HDI believed, incorrectly, that they had a Crown Court Judgement (CCJ) against their name.

Mr and Mrs S complained to HDI about the way it handled things and how this affected them. HDI accepted it should have dealt with the allegation that there may have been a CCJ better. And so it offered them £150 by way of compensation. But as Mr and Mrs S still weren't happy they complained to this Service.

Our investigator looked into things for them and upheld their complaint. She thought HDI made a serious mistake when it assumed they had a CCJ when they didn't and thought it should pay £800 compensation.

HDI went on to offer £650 in compensation but Mr and Mrs S didn't agree. They thought they should be paid thousands in compensation, so the matter has been passed to me for review.

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 it is accepted by both sides that Mr S didn't have a CCJ and that HDI didn't investigate the allegation very well I don't propose to go over the finer detail of this. I'll simply focus on the effect all this had on Mr and Mrs S and the level of compensation that should be awarded following HDI's final response letter in July 2022.

I also 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 Mr and Mrs S were so frustrated and disappointed with how HDI looked into an allegation that Mr S had a CCJ against his name and it must have caused a lot of stress at a particularly difficult time for them. I know they felt they should be paid thousands more in compensation including covering reputational harm. But as HDI have explained the CCJ was only discussed around this insurance application, policy and claim so I don't think HDI is responsible for any wider reputational harm.

However, it must have been extremely stressful at a particularly difficult time, given Mr S' severe health problems, for Mr and Mrs S to have had to endure the poorly managed allegation of having a CCJ against their name when this wasn't true. Mr and Mrs S were forced to investigate the possibility of having a CCJ against their name given that HDI said Mr S had one when he didn't. HDI, incorrectly, believed that Mr S *may* have had a CCJ. And yet it quickly moved to assuming that he did have a CCJ as opposed to getting to the bottom of the allegation which made matters significantly worse for Mr and Mrs S.

HDI seems to accept this now, following discussions with this Service, and has increased its offer of compensation from £150 to £650. But I agree with our investigator and think £800 feels fairer in the particular circumstances of this case. I say this as it must have been very worrying for Mr and Mrs S to have this hanging over them given the potential severe consequences of a CCJ to them. And to have had to research whether they had a historical CCJ themselves (when they didn't) by phone and email over many months, look for alternative insurance with this hanging over them, and have had their claim delayed while this was ongoing must have been very worrying and stressful at an already difficult time.

Finally, I must highlight that this decision has focussed on the impact the CCJ has had and HDI's response in its FRL in July 2022. If there are any further complaints in relation to the settling of the claim or other issues then they will have to be advanced with HDI and this Service separately.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require HDI Global Specialty SE to pay £800 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 26 October 2022.

Colin Keegan
Ombudsman