

The complaint

Mr K's complained about the way esure Insurance Limited dealt with the claim he made on his home insurance policy after he'd suffered an escape of water in his home.

What happened

In February 2021, Mr K contacted esure to tell them there had been a leak from a water pipe in his home. He told esure there was extensive damage, particularly in the kitchen and living room. Mr K made a claim under both the buildings and contents sections of his property insurance policy.

Unfortunately, the claim was beset with problems and it took until October 2022 for all matters to be settled. Mr K has been frustrated throughout at the speed of progress and how esure have assessed his claim.

Mr K first complained in March 2021 about the delay by esure's agents in authorising the cost of an electrician to restore power to his home. He also complained about the scope of the works – including that no dehumidifiers had been installed to dry the property out - and that esure hadn't provided him with alternative accommodation. Esure upheld his complaint about the delay in authorising the electrician's costs and paid Mr K £50 compensation.

Mr K continued to complain that repair work couldn't be done until the property was dry and that esure's contractors needed to provide dehumidifiers. These were provided in mid-May. Building works were authorised in June and started in mid-August 2021.

The work was largely completed by the end of November, although there were some snagging issues to deal with. There was also some delay as a result of the contractors finding some damp - which was unrelated to the claim, so esure declined to deal with it. And Mr K claimed for a cooker which had not been included in the original claim.

In the period before repair work started, Mr K repeatedly asked esure to provide him with alternative accommodation. He said he couldn't live in his own home as there was no electricity for a number of weeks, and no boiler to provide heating or hot water. And he couldn't have his children stay for their contact visits.

In response, esure explained that they'd assessed the property as habitable once the electrical supply had been reconnected and there was a boiler in place, as that meant cooking and washing facilities, hot water, heating, and electricity were all available. But they noted that the electricity supply had been off for about six weeks. They offered Mr K a payment of £10 per day for this – which came to £440. They increased this to £20 per day for the days Mr K's children stayed – so they offered a total of £560. From this, esure deducted Mr K's excess of £450 and paid him £110.

A further review of the disturbance allowance in June 2021 led to esure making a further payment of £540 to Mr K.

In respect of his children staying, esure offered Mr K £75 per week - the cost of a family room in a local hotel. When Mr K explained his daughter would need a separate room,

esure increased their offer to £175 per week, made up of £135 for two rooms and £40 towards food. Unfortunately, the hotel esure identified, and others in the area, refused to let a separate room to Mr K's daughter due to her age.

Mr K wasn't satisfied with esure's response to his complaints and brought them to our service. Our investigator considered what had happened and concluded esure should pay Mr K £250 compensation, in addition to the £250 they'd already paid him. He thought the £50 compensation esure had paid Mr K in April 2021 was a fair amount for the delay in authorising payment to the electrician. But he noted there were also delays in starting drying of the property, as well as a two month delay between the authorisation and start of repair works and delay in dealing with the cooker claim – for which he said Mr K should be compensated.

But he said esure's efforts to provide hotel accommodation while Mr K had his children were reasonable, as was the disturbance allowance he was given.

Mr K didn't agree with our investigator's view. So I've been asked to make a 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.

Having done that I'm upholding Mr K's complaint. But I don't think esure need to do more than our investigator said they should to put things right. I'll explain why.

I understand the stress Mr K's been under. There's inevitably some stress involved in every claim - because something's happened to make that claim necessary. I can't say esure should compensate Mr K for that – or for anything that wasn't their fault. And I have to decide whether what esure have done to put matters right is enough.

Delays

Insurers have a duty to handle claims promptly and fairly. Mr K's complained throughout about delays. Claims do take time to assess – it's not enough to say the claim took a long time to settle. So I've looked at what happened to see where there were delays – and whether those delays were something esure were accountable for.

I've seen that esure have already made two compensation payments for delay – the first in relation to delay in authorising payment to the electrician so power could be restored to Mr K's home and the second for general delays. And they paid Mr K a disturbance allowance on two occasions. As these delays are accepted by esure, I'm not going to comment further.

Our investigator said there'd been delay in installing drying equipment. I've looked at the claim notes and I agree. Mr K raised this repeatedly when he contacted esure. But dryers weren't installed at the property until three months after the flood and two months after Mr K started questioning this. I don't think that's reasonable. Action could have been started to start drying the property during this time. And that meant the claim took longer than it should have to resolve.

Nor do I think it was reasonable that works didn't start for two months after they'd been authorised. It appears that esure's agent was waiting to hear from one of a number of different contractors who worked on the property. But nothing I've seen shows why the work couldn't be booked in. So I think esure also need to compensate Mr K for the distress and inconvenience this caused.

I can see there was some delay to works as other damp – unrelated to the claim – had to be dealt with before the final flooring could be laid. I understand that was frustrating. But I can't say esure were responsible for this, because the delay was caused by something unrelated to the claim.

Finally under this heading, I can see that there was delay in dealing with the claim for Mr K's cooker. This wasn't included in the original claim, as the damage from the escape of water only became apparent later. But it appears to have been overlooked for several months after Mr K notified esure of the issue.

Alternative accommodation

From early in the claim, Mr K asked esure to provide him with alternative accommodation – on his own behalf and because he said his children, who stay with him for part of the week, couldn't stay in the house.

I've looked at the terms of Mr K's policy. This says:

"Whilst Your House is not habitable following an insured incident, We will provide temporary alternative accommodation until the repairs are complete (practical completion). We will assess the requirements for each claim and determine the type and size of property that will be sufficient for the period. This Policy does not operate a like for like guarantee and instead provides an adequate alternative for the required period"

I think this makes it clear alternative accommodation isn't provided in every case.

The claim notes show esure told Mr K they thought the property was habitable once the electricity was restored and there was a working boiler, as those provided the services he needed to live there. Mr K disagreed because it was still damp and had no flooring.

I've thought carefully about this. Remaining in the property clearly wouldn't have been as comfortable for Mr K as it was before the escape of water. But he had access to living facilities – albeit not the full range he was used to. He's described the property as an "inhospitable environment" for him and his children. And he chose to stay with his partner rather than remain at home.

While I understand why Mr K chose to do that, that doesn't mean I can say his home was uninhabitable. Esure have explained how they decide whether a property is habitable and have applied those criteria here. So I don't think it was unreasonable for esure to decide Mr K's home was habitable when they did.

And, I've noted that, notwithstanding their decision the property was habitable, esure did try to provide alternative accommodation for Mr K to spend time with his children, as his partner's home was too small to accommodate them as well. Mr K didn't feel he could accept what was offered.

My starting point for considering this is that esure thought Mr K's house was habitable. That means they weren't under any obligation to provide alternative accommodation at all. I can see they offered a family room in a local hotel and, when Mr K said his daughter needed her own room, esure offered to pay for two rooms. Unfortunately, due to his daughter's age, no hotel would accept a booking for her to have her own room.

I can't say esure are responsible for that. Nor can I say they are responsible for Mr K's decision not to accept a family room. They did more than they were obliged to do under the policy terms. So I can't say esure's efforts to provide alternative accommodation for Mr K's children to visit were inadequate.

Putting things right

As I've said, I think esure need to do more than they have to put matters right. To decide what I think is fair, I've taken into account that they've already paid a total of £250 compensation paid for delay in April (£50) and June 2021 (£200).

I acknowledge Mr K has been stressed and inconvenienced by the delays I've identified above, only some of which esure have compensated with the payments they've already made. So it's fair they should make an additional payment now.

I know Mr K thinks the further £250 recommended by our investigator wasn't enough to recognise all he's had to deal with. I disagree and I think esure should pay this amount.

We don't have a tariff for complaints. And we consider each situation on its own merits. But we do publish guidance on our awards on our website about what sort of level of compensation someone bringing a complaint to us might expect to receive.

My decision will mean Mr K receives a total of £500 compensation. Our website says this level of compensation may be awarded:

"...where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months...."

I think that's an accurate description of Mr K's situation. And that's why I've decided esure should pay Mr K a further £250 to resolve his complaint.

My final decision

For the reasons I've explained, I'm upholding Mr K's complaint and directing esure Insurance Limited to pay him £250 compensation, in addition to the payments he's already received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 12 January 2023.

Helen Stacey
Ombudsman