

The complaint

Mrs N complains about how Fairmead Insurance Limited dealt with her escape of water claim on her home insurance policy.

Mrs N has been represented on her claim and complaint, for ease of reading I've referred to Mrs N throughout.

What happened

Mrs N had an escape of water and so claimed on her policy which Fairmead accepted. During the drying process a second leak was discovered originating from a different location. A trace and access were completed for the second leak, and it was repaired. It was agreed the damage sustained to Mrs N's property would be dealt with under one claim.

Fairmead offered to provide Mrs N with alternative accommodation while they repaired the property, but Mrs N declined and asked for a cash in lieu settlement. Fairmead agreed to this and made Mrs N an offer to settle her claim, which included disturbance allowance for her remaining in the property. Mrs N didn't think Fairmead had offered enough and appointed her own loss assessor. As Mrs N wasn't happy with the amount offered and how long the claim was taking, she complained.

Fairmead reviewed the complaint and upheld it. They increased the amount offered to settle the claim and offered £150 compensation for the delays and poor claim handling. The claim then went on for several months more. As Mrs N wasn't happy with how the claim was being handled, she complained again. Fairmead reviewed the second complaint and explained that they had revised the amount offered and were in discussions with Mrs N's loss assessor.

As Mrs N wasn't satisfied with how Fairmead had dealt with her claim she referred the complaint here. She said Fairmead hadn't paid enough to settle her claim and that she didn't think the compensation offered was enough.

Our investigator reviewed the complaint and recommended it be upheld. She found that while Fairmead's offer had increased several times, she didn't think the final amount paid was unreasonable. However, given the issues with the claim our investigator recommended Fairmead increase the compensation to £400.

Neither Fairmead nor Mrs N accepted our investigator's recommendation, so the complaint has come 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.

The terms and conditions of Mrs N's policy say they will either repair the damage caused by an escape of water claim or pay her the cash equivalent. As Fairmead have accepted the

claim and paid the cash equivalent I've looked at whether the amount paid is fair and reasonable in the circumstances.

I understand Mrs N doesn't think Fairmead have paid enough to settle her claim, but I'm not going to tell them to pay any more. I say this because I can see Mrs N appointed a loss assessor and Fairmead re-assessed how much they would pay. They then made an offer to Mrs N which she accepted. This included the amount needed to complete the repairs and a disturbance allowance. So, while Mrs N has now said Fairmead needs to pay more, I've not been provided with enough to say Fairmead haven't paid what they should do under the policy, or why Mrs N now thinks the amount accepted was too low. I'm therefore not persuaded Fairmead have acted unreasonably by paying what they have.

I've also considered the amount Fairmead paid in compensation for the poor claim handling, and I'm not persuaded £150 is sufficient. I say this because this claim has taken significantly longer than it should have, there have also been missed appointments and multiple revised offers for the settlement of the claim. It's disappointing to see this and I'm not satisfied Fairmead acted fairly or reasonably with the first offers of settlement. I say this because Mrs N asked for breakdowns of how the figure had been reached and these weren't provided. The final offer amount also increased a lot from the initial offer. I therefore think the low offer made initially by Fairmead would have been distressing for Mrs N.

While I can see the claim hasn't been handled well and has been ongoing for several months. I'm also aware that Mrs N has been represented during the claim and complaint. So while Mrs N's representative will have had unnecessary distress and inconvenience, I'm only able to award for the impact on Mrs N. When considering this, I'm satisfied £400 is fair and reasonable compensation for the unnecessary distress and inconvenience Fairmead caused Mrs N.

My final decision

For the reasons explained above, my final decision is that I partially uphold this complaint. I require Fairmead Insurance Limited to pay Mrs N a total of £400 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 3 January 2023.

Alex Newman
Ombudsman