

The complaint

Ms S complains about how Accredited Insurance (Europe) Ltd handled her claim on her home insurance and the settlement it offered.

What happened

Ms S had home insurance with Accredited. In January 2021 she made a claim after discovering a leak at her home. This was initially identified as a leak from the internal stop tap in the downstairs toilet. This was repaired and drying and repair work commenced to the damaged parts of the property.

This included flooring across three rooms being removed and replaced due to water damage. However once this was complete Ms S reported that the floor was bulging and misshapen. Accredited's contractors returned a few times to try and rectify the problem, before eventually discovering there had been a second leak from directly beneath the floor which was causing the issue.

Accredited then proceeded to offer a final settlement for the remaining repairs. It said its contractors could carry out the remaining work, but Ms S had been unhappy with the work to date so requested a cash settlement. Accredited offered £10,000 for the remaining work. However Ms S said it would cost a lot more than this. She obtained a report that quoted around £25,000 to reinstate the property. She made a complaint.

Accredited didn't uphold the complaint. It said its quote was based on the remaining insured work, at its contractor's costs. And Ms S' quote contained additional work that fell outside of its liability. Further it said that while the claim had taken a long time to conclude, the delays were unavoidable. Unhappy with this, Ms S brought her complaint to this service.

Our investigator considered the issues and thought Accredited's settlement was a fair one. He said that it covered the cost of its liability at its contractor's rates which is what it is obliged to pay to settle the claim. However he thought Accredited had caused avoidable delays so recommended it pay £400 compensation to make up for these.

Ms S didn't accept our investigator's outcome. She said the quote from Accredited hadn't included enough to cover the real cost of relaying the floor and had missed the required underlay completely. She asked for the complaint to be reviewed by an ombudsman.

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.

Ms S isn't happy with the settlement Accredited has offered and says it won't cover the required repairs. It isn't the role of this service to decide what repairs are required in order to restore a property, as we aren't experts in construction and building repairs. Instead we rely on the opinions of those who are experts. I therefore need to decide if Accredited has offered a fair settlement based on the available evidence.

Having reviewed everything available, I think the settlement offer is fair for the following reasons:

- Accredited has offered to have its contractors carry out the work rather than cash settling. It is therefore only obliged to pay the amount it would cost it to get the work done, rather than the market rate which may be higher. Insurers often have negotiated rates with their own suppliers so the amount it pays is usually below the market rate. But as it has offered to carry out the work, it wouldn't be fair to ask it to pay more than it is obliged to.
- Accredited has provided a costed scope of works that it says meets its liability. And while Ms S has provided her own quotes, this is based on some additional work that isn't covered under the policy (for example the flooring in the hall way) and some additional costs for preferred materials (for example the type of flooring and damp proof membrane). And I've seen nothing to show that Accredited's scope isn't enough to repair the property.
- I note Ms S is particularly concerned about the costs included for laying the flooring, as she says these are not enough to properly secure the flooring or to include her preferred materials. Accredited has confirmed that the scope includes the full cost of replacing the floor, and this includes a liquid damp proofing and sufficient budget for like for like replacement of the materials. While I appreciate Ms S would prefer another method to be used for the damp proofing and flooring, Accredited is only required to repair the property to the condition it was in before the claim. This means it may not be using her preferred materials or methods, but just those required to complete the repair. So I can't say it's acted unfairly by not including a damp proof membrane rather than a liquid one or her preferred flooring materials. However I've seen nothing to suggest that the proposed scope wouldn't fully restore the floor.
- Further, Accredited has shown that it has rounded up the costs for the repairs by nearly £2,000 as a goodwill gesture. So considering this, alongside its costed scope of works I think the settlement it's offered is a fair one that meets its obligations under the policy. So I won't ask it to do anything further in this regard.
- Should Ms S have concerns about getting the required work completed within Accredited's settlement she still has the option to ask it to carry out the work itself.

I've also considered how Accredited has handled the claim since it was raised. I agree it has taken longer to resolve than I would expect, however not all the delays could reasonably have been avoided. The main issue that caused a delay was the fact the floor had to be relayed. And while it seemed this was due to poor workmanship to begin with, it later transpired that this was due to a second leak. While I note Ms S thinks that the second leak was caused by Accredited's contractor, I've not seen enough evidence to show this was the case. Further, from reading Accredited's internal claim notes I can see that the contractor questioned why there was moisture under the lounge floor when the leak was so remote, right from the start. Which suggests the leak was already present and the issue wasn't related to the repairs.

However, from looking at the correspondence between Ms S and Accredited I think it could have progressed the claim more quickly. There are a number of occasions where Ms S has to chase it, often more than once, in order to get the claim to progress. And this would have been inconvenient for her. Further, I can see that Accredited's contractors left debris and rubbish in Ms S' garden for nearly a month which would have been both inconvenient and distressing for Ms S. For these reasons I agree with our investigator that Accredited should pay £400 compensation to make up for the unnecessary distress and inconvenience it has

caused.

My final decision

For the reasons I've given, I require Accredited Insurance (Europe) Ltd to pay Ms S £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 29 December 2022.

Sophie Goodyear
Ombudsman