

## The complaint

Ms K has complained about her property insurer QIC Europe Ltd in respect of a claim she made when there was a fire at her home.

## What happened

There was a fire at Ms K's home in July 2021. QIC accepted the claim, undertook some emergency clearance works and began considering what was needed to reinstate the property. Ms K was initially unhappy with three aspects of QIC's plans:

- It said it would paint some ceilings, whereas Ms K thought they should be refinished.
- It said it would clean the windows, whereas Ms K thought they should be replacing them.
- It said it would pay just 50% towards re-tiling Ms K's bathroom, whereas she felt it should pay for all the retiling work as it only needed doing because it had damaged her bath.

In early October 2021 QIC set out its final position on these aspects. In short it felt it was reasonable for it to first look to paint the ceilings and clean the windows. And regarding tiling, it said the policy allowed for it to only settle for damaged items, even where they formed part of a matching set, the remaining items of which were not damaged. So it felt its offer of 50% was fair and reasonable. Ms K remained unhappy.

Our Investigator thought that QIC's position regarding the ceiling and windows was reasonable. But regarding the tiling, he felt it should be liable for all that work.

QIC disagreed. It said it was replacing the bath under the cover, not because it had damaged it. So it felt it could reasonably rely on the policy wording in dealing with the tiling which would be affected by the bath's removal.

Ms K was unhappy as she still believed the ceilings and windows needed replacing. The claim in those respects continued and the situation regarding these, and other items, evolved. Our Investigator explained that, under this complaint reference, we could only look at what the situation and respective positions of the parties were in October 2021.

Ms K's complaint was passed to me to consider. Noting the relevant period for consideration, my provisional findings were:

### "Ceilings and windows"

*As I mentioned above, a lot has happened regarding these issues since October 2021. But as things stood in October 2021, I don't think it was unfair or unreasonable for QIC to be looking to repair or reinstate these damaged items. An insurer will usually look to repair in the first instance, opting only to replace if a repair is not possible for some reason. In October 2021 there was no expert evidence, from a surveyor or similar, which showed repair was likely impossible. I know that, regarding the windows, Ms K did have an opinion from the company which had fitted the windows originally. But I can understand why QIC chose to rely instead on the views of its assessor and contractors, that the windows would respond to cleaning. I know QIC was open to reviewing its position on these items as the repairs*

*progressed and that is what I'd expect of it. I think that as of October 2021, QIC's position regarding the ceilings and windows was fair and reasonable.*

#### *Bath and tiling*

*QIC has pointed to policy wording to justify its stance on this issue. But Ms K's point is that the policy shouldn't apply because the tiles will need replacing, not because of the fire, but because of QIC's repairers. So I've considered whether it is most likely that QIC damaged the bath necessitating its removal (which will, in turn, damage some tiles causing the bathroom to need retiling).*

*Ms K says that QIC's repairers stood in the bath and stored items in it which caused it to become scratched. QIC doesn't seem to deny that its agents stood in the bath and stored items in it. QIC even seems to accept this may have caused some scratching. But it believes the heavy/multiple scratching to the bath's surface was pre-existing. QIC said this is evident because soot is in the scratches, and indeed this is why it needed replacing – because it wouldn't respond to cleaning.*

*I've reviewed the available photos and what both sides have said. Having done so I'm most persuaded by the position put forward by QIC. I've seen a photo with heavy soot staining to the bottom of the bath where there doesn't seem to be any scratching through the soot. There is then a photo showing the heavy staining removed, and a myriad of scratches, now showing as black lines, are visible. So, whether or not there may be some scratches caused by QIC's repairers at points in the bath, in this one area there is evidence of scratches that seem to have existed before the fire occurred, as soot has settled over and into them. The scratches seem quite fine and I think they probably weren't visible with normal use, including cleaning of the bath. But that the soot deposits have highlighted them. I don't doubt that it would be impossible to clean the bath to its pre-incident state.*

*Which means I think that QIC's offer to replace the bath under the policy is fair and reasonable. It follows that QIC can treat the claim that arises as a result of the tiling being damaged by removal of the bath in line with the policy terms. The policy allows QIC to decline claims for undamaged parts of matching sets. So, strictly speaking, QIC's liability for tiling would be limited to the tiling which will be damaged due to removal of the bath. But, in line with the approach often taken by this service in complaints about undamaged parts of matching sets, QIC has offered to pay for 50% of the cost of retiling the area of undamaged tiling. I think that is fair and reasonable of it.*

*I'd add though that I think QIC should check its scope in this respect. As far as I can see currently it is offering 50% of retiling the bathroom as a whole. As I've explained above, the fair and reasonable settlement for this is for QIC to be liable for 100% of the retiling for tiles damaged by removal of the bath and for that liability to then reduce to 50% for replacing the remaining undamaged, matching tiles in the rest of the bathroom."*

*QIC said its scope already includes an allowance of 50% of the costs for retiling the bathroom. Which, it said allows for any tiles that are damaged when the bath is removed.*

*Ms K said the bath had no scratches before and had been cleaned in line with manufacturer's instructions. She said a witness saw the contractor damage her bath. Ms K said the replacement bath offered by QIC is not like-for-like. She said she was disappointed as I didn't seem to have taken account of reports she'd provided to show the ceilings and windows needed replacing.*

## **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.

I have seen QIC's scope. I know it shows a cost for 50% of retiling the bathroom. I explained exactly that in my provisional decision. QIC has, I think, misunderstood my point. It is liable for the full cost of replacing any tiles damaged in the removal of the bath. It cannot limit its liability for any damaged tiles to 50% of their replacement cost. That would mean Ms K would have to contribute towards their replacement. As the policy covers their loss, that would be unfair and unreasonable. The situation is different regarding the remaining undamaged but matching tiles. For those QIC's liability is fairly and reasonably limited to 50% of their replacement cost. Meaning Ms K will be liable for the other 50%. So a scope that only allows for 50% of all retiling doesn't take into account that, in respect of some of that tiling, QIC is liable for 100% of costs. To ensure this is clear – if 10 tiles out of 100 are damaged, QIC will need to allow for 100% of the cost for replacing the 10 damaged tiles, and 50% of the cost for replacing the other 90. That will give a different figure to 50% of the entire cost for replacing all 100 tiles. Of course, QIC won't know, until the bath is taken out, how many tiles will be damaged so 50% for everything is not a bad starting point. It certainly gives Ms K a good indication, if only a few tiles are damaged, of what region the maximum payment is she might have to contribute. But my point about QIC needing to review and amend its scope will remain, because it and Ms K sharing equal liability for the cost of all of the retiling, rather than just in respect of replacing undamaged but matching tiles, is not a fair and reasonable end point for the claim.

I know Ms K took care of her bath. I don't doubt she cleaned it only as directed. But even with normal and careful use items sometimes suffer damage. Conversely, just because something is used in a way that it shouldn't be, doesn't mean it will suffer damage. I know Ms K had a witness who saw the bath being misused. And as I said provisionally, QIC hasn't denied that misuse. The question for me to answer – in order to determine if QIC had to replace the bath under the policy or outside of it – was is it most likely that the bath suffered damage due to QIC's contractor's misuse. For the reasons stated provisionally, I don't think it was.

As I noted provisionally, I've only looked at the situation in the run up to and the complaint points which then existed as of, early October 2021. The claim, and settlement for it, then progressed after that time, including in respect of what type of bath QIC was prepared to pay for. And further evidence was provided regarding the ceilings and windows. I can't take any of that detail into account. In respect of what was known in early October 2021, regarding the ceilings, windows and bath, including the liability for retiling costs, I'm satisfied by what I said provisionally. In summary, I don't think QIC failed Ms K regarding its claim position as of October 2021 in respect of the ceilings, windows and bath. But, as already explained, I do think some review and recosting regarding the sharing of liability for tiling costs is needed. I'm satisfied though that this one failure has not held up the claim or prevented it from progressing. So whilst I know Ms K has felt prevented from enjoying her home, I don't think, based on what I've seen and found, I can fairly and reasonably blame QIC for that.

## **Putting things right**

I require QIC to revise its scope of work, as and when the number of damaged tiles is known, to show it is 100% liable for retiling the tiles damaged by removal of the bath, and 50% liable for retiling the remaining undamaged, matching bathroom tiles.

**My final decision**

I uphold this complaint in part. I require QIC Europe Ltd to provide the redress set out above at “Putting things right”.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms K to accept or reject my decision before 28 November 2022.

Fiona Robinson

**Ombudsman**