

## **The complaint**

Mr M and Miss W complain about QIC Europe Ltd (“QIC”) for offering a reduced settlement following storm damage at their property. They want QIC to repair or replace the damaged roof.

## **What happened**

Mr M and Miss W held buildings insurance with QIC.

In February 2022, a storm hit their home and caused damage to their conservatory roof.

They submitted a claim to QIC.

QIC sent its agent to assess the roof and the assessor prepared a report. This noted that the conservatory roof was 20 years old and in fair condition prior to the storm. It reported that two panels of the roof were lost, and the entire roof was shifted from its fixings by the high winds. The conservatory was thereafter allowing water in.

QIC considered the report and accepted that the damage had been caused by storm. QIC concluded that its agents were not able to carry out a repair to the roof, as any repair would not be effective or lasting.

QIC then offered Mr M and Miss W £717.33 as a cash settlement.

Mr M and Miss W declined this and complained. They felt that the policy ought to indemnify them for a functioning roof. They noted that they were unable to engage contractors to carry out repair, or replacement, with the level of compensation offered.

QIC sent its final response maintaining its decision.

Mr M and Miss W were not happy and contacted us.

Our investigator looked into this matter and recommended that the complaint be upheld. They explained our approach to repairs and cash settlement and recommended that QIC replace the conservatory roof under the claim and pay to Mr M and Miss W £150 compensation for their distress and inconvenience.

QIC did not accept that view and asked for an ombudsman decision. It argued that the conservatory roof was at the end of its life and argued that if it had been in good condition then a repair would have been possible. The complaint has therefore been passed for an ombudsman 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.

My colleague previously set out our approach to storm claims. I have not repeated this here

as QIC have accepted that there was a storm and that storm caused the damage. Instead I will focus on the offer of settlement as that is where the dispute lies.

I have considered the policy wording which explains the way that QIC will settle claims for buildings. This sets out that QIC retains the option to repair or replace, via its chosen contractors, or it may cash settle at the price it would have cost QIC's contractors to undertake the work.

QIC has calculated its settlement offer as £717.33 despite it being confirmed to QIC that contractors would not be able to carry out repairs and that replacement was the only viable option. The sum therefore cannot reflect the cost to QIC of repairs, as there is no possible repair that can be carried out.

QIC appears instead to have made an assessment for deduction to reflect wear and tear, but I cannot see, and QIC has not pointed to, any provision in the terms which explain this to the consumer. I therefore think it would be unfair to introduce and rely on this approach where that does not seem to have been part of the policy agreement.

I understand QIC's arguments about avoiding betterment, but avoiding betterment is not more important than the principle of insurance indemnifying the consumer against their insured perils. Here, the consumers have lost one conservatory roof and the use of that room. In order to put them back in their pre loss state, QIC must restore a functional conservatory roof to them. If that requires a new roof, then that is the appropriate resolution of the claim.

Consequently, I agree with the investigator's assessment and uphold Mr M and Miss W's complaint.

### **Putting things right**

In order to put matters right I agree with my colleague that QIC must settle the claim on the basis of a replacement roof. QIC may wish to provide this via its contractors, or cash settle, but for the avoidance of doubt if QIC chooses to cash settle then this must be at a sufficient level to enable Mr M and Miss W to obtain a replacement through the market.

I agree that QIC's decision has caused Mr M and Miss W avoidable distress and inconvenience and that this ought to be compensated. They have been unable to use part of their home for more than 8 months and this will have affected their enjoyment of their home.

Taking into account that the replaced roof should now increase the conservatory's life, I agree that £150 compensation is appropriate.

### **My final decision**

For the reasons given above, I uphold Mr M and Miss W's complaint and direct QIC Europe Ltd to:

- Settle the claim in full, based on replacement of the roof; and
- Pay to Mr M and Miss W £150 compensation for their distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss W to accept or reject my decision before 11 January 2023.

Laura Garvin-Smith  
**Ombudsman**