

The complaint

Ms F, Ms G and Ms S complain Covea Insurance plc has poorly handled a claim they've made following an escape of water and are also unhappy with the £1,000 excess charged.

What happened

Ms G has led the complaint with this Service so I've largely referred to her throughout. References I make to Ms G and Covea include respective agents and representatives unless stated otherwise.

The background to this complaint is well known to the parties and so I've provided a summary here.

- Ms F, Ms G and Ms S own the freehold of a house which is divided into three flats. They each live in one of the leasehold flats. Ms G occupies the basement flat. The house is insured by a buildings insurance policy underwritten by Covea.
- In early Autumn 2021, Ms G noticed the flooring around her toilet was uneven and had become spongy so she reported the damage to Covea. It appointed an agent to inspect the damage and validate the claim. Following investigations, the subfloor was found to be saturated with mould present.
- The cause of the damage was uncertain but Covea's agent suspected that water had escaped from around the bath and shower seals. The agents were concerned though the flat might have been impacted by flood water following a storm in the summer of 2021.
- Ms G was unhappy with Covea's actions and she complained about service, delays and the excess she was charged. It said some of the delays experienced during the claim were out of its control; it had charged the correct excess and the amount was detailed in the policy schedule; and it didn't think its agents had provided poor service or that any delays resulted in worse damage and increased costs. Ms G didn't agree and raised a complaint with this Service.
- Our Investigator upheld the complaint and said Covea should pay £350 for delays with the claim and should consider a disturbance allowance for when Ms G wasn't able to live in the property. But she didn't think Covea had acted unfairly in charging the £1,000 excess.

Ms G broadly accepted the recommendation but commented further on the number of people appointed by Covea who had visited her property together with the associated cost of this. Covea disagreed with the findings and so the complaint has been referred to me for an Ombudsman's 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.

Policy excess

- Covea initially said the claim would be considered under the Accidental Damage part of the policy, for which an excess of £250 was payable. It later said its agent had made an error when it said this and the claim would be considered under the Escape of Water (EOW) part of the policy for which an excess of £1,000 was payable.
- The excess on a policy is the part of the claim that the consumer has to pay. It's agreed in advance and will be detailed within the policy terms. Having considered the policy documentation, I'm satisfied the EOW excess of £1,000 is clearly detailed in the policy schedule.
- I know Ms G was unhappy with the higher excess she had to pay. Having considered the cause of the leak, it seems reasonable to me the damage was considered under the EOW part of the policy with the excess that incurred.
- Overall, I'm satisfied Ms G has been charged the correct excess. Ms G says that had she been told the correct excess earlier she might have dealt with the claim differently. But I've not seen evidence which persuades me that if the claim had proceeded more quickly from the start, the overall cost of the claim would have been reduced – taking into account the excess. Covea's expert was of the professional opinion the damage was already advanced and the subfloor would have needed to be lifted regardless of the area affected.
- I won't be asking Covea to take any further action on this aspect of the complaint. But I do acknowledge Covea's error in saying the excess would be £250. I've kept this error in mind when considering the impact of Covea's actions on Ms G throughout the claim and the consequent award I recommend.

Claims handling and delays

- The claim took longer than I'd expect and there have been a number of delays throughout. For example, in the early stages of the investigation when there was a delay of approximately a month between visits from one of Covea's agents due to the high volumes of work they had at the time. And there were delays with another of its agents being able to supply quotes for the remedial work, which Covea said was out of its control.
- Covea is under an obligation to handle claims promptly and fairly, and having considered all the evidence, I don't think it's met this obligation. I'll be keeping this on mind when considering the award I recommend.

Alternative Accommodation

- I acknowledge Covea discussed the provision of alternative accommodation with Ms G but she declined the offer and chose to stay with a friend instead. In its internal communications, I note Covea said it would consider paying a subsistence allowance to Ms G while she was out of the property but it's not clear to me if this was offered to her or not.
- Ms G may have incurred additional costs during her time away from the property, such as increased travel, for example. In the specific circumstances of this case, I think Covea should consider the payment of a disturbance allowance to cover the

reasonable additional costs she may have incurred on the provision of appropriate supporting evidence and/or receipts.

Summary

- I understand Ms G's frustration with how the claim has been handled by Covea and I think it could have done a much better job than it did. Covea says some of this was out of its hands due to supplier issues and delays but as the underwriter of the policy it's still responsible for the impact this had on Ms G.
- I've thought about this case very carefully, and having done so, I'm directing Covea to pay Ms G £350 for the distress and inconvenience it caused Ms G through its poor complaint handling. Together with consideration of a disturbance allowance I've referred to above.

My final decision

My final decision is that I uphold this complaint and direct Covea Insurance plc to:

- Pay Ms G £350 for the impact of its claims handling and delays.
- Consider any reasonable costs Ms G incurred while away from her property on the provision of appropriate supporting evidence and/or receipts.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F, Ms G and Ms S to accept or reject my decision before 14 December 2022.

Paul Phillips
Ombudsman