

The complaint

Miss E has complained about the service provided by esure Insurance Limited ('Esure') in dealing with a claim for waste-water damage under her home insurance policy.

For the avoidance of doubt, 'Esure' includes its loss adjusters in this decision letter.

What happened

Miss E's property was damaged in April 2022 following works carried out by a utility company. It had jetted a sewer pipe outside her property which led to waste-water being spread over the bathroom and through the floor, ceiling and light fittings to the kitchen below. Following advice from the utility company, Miss E made a claim to Esure under her home insurance policy. Esure said it was unable to assess the claim remotely whilst it initially indicated that it could do so, and then said it would take a further four to six weeks to conduct a site visit. Miss E cancelled her claim as a result and pursued a remedy against the utility company. Esure paid £30 in recognition of the delays.

Miss W remained unhappy and referred her complaint to this service. The service's investigator upheld Miss E's complaint and thought that Esure should pay an additional £170 to bring the total compensation to £200. The investigator concluded that £30 didn't adequately recognise the impact of the delays. However, the investigator didn't think it appropriate to award a refund of policy premiums as valid cover had been in place for the remainder of the policy period and it had been Miss E's choice to cancel the claim. He also thought that Esure would have dealt with the claim, *'albeit taking longer than reasonable'*.

Esure disagreed with this outcome and the matter has therefore been referred to me to make a final decision in my role as 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.

The key issue for me to determine is whether Esure's handling of Miss E's claim was fair and reasonable. I've concluded that it wasn't fair and reasonable in all respects. I'll explain why.

Turning firstly to the submissions of the parties, Miss E said that the utility company had accepted full responsibility for the incident and provided contact details and a claim number. Miss E instructed a joiner to inspect the damage and he sent a report of his findings. She also instructed an electrician who inspected the light fittings and supplied a quote. She said that the utility company had then advised her to claim for the damage on her own home insurance as this would be *'quicker'* and that it would pay any excess amount. She said it sounded like a simple process and so contacted Esure.

Miss E provided a comprehensive timeline of events. She said that initially, Esure had advised that it would probably try to settle without using a loss adjuster due to the location of the property and said the contents claim would be likely to be settled immediately. Following

appointment of Esure's loss adjusters, Miss E said that they set a time and date for a video meeting, however no further contact was received. A further video meeting was arranged for the end of April 2022, however the video kept failing. Following a request from the loss adjusters, she then e-mailed photographs, estimates and list of damaged items.

Miss E said that by mid-May 2022, *'With no obvious progress on the case and after several attempts to call for updates with no response...'* the loss adjusters then decided they wanted a physical inspection of the property. She said she was told that she shouldn't do any remedial works or buy replacements. The loss adjusters said that it could be several weeks before an inspection could take place. Miss E was then told that it would have been quicker to have claimed from the utility company. Miss E decided in the circumstances to re-open her complaint with the utility company and cancelled her claim with Esure. In summary Miss E said that she then experienced *'weeks of poor handling'*. Almost seven weeks after the incident, no-one had visited the property, no date could be set for a loss adjuster to visit and no settlement for the damage or the contents had been received.

Miss E felt *'stuck in limbo with sewerage contamination in the bathroom floor'*. She also said that she couldn't use the lights in either the bathroom or kitchen as they'd been condemned by her electrician. There was also a *'lingering, intermittent smell that can't be removed, the floor covering had been lifted leaving bare boards; all the toiletries and soft furnishings (eg. blind and shower curtain) that had been dumped during the incident, could not be replaced; and I was, unsurprisingly, extremely stressed.'* She accepted that Esure had been pleasant to deal with and had handled the complaint well and had ensured a response from the loss adjusters. However, she considered that the loss adjusters service had been appalling and *'Since an insurance company is clearly only as good as the people it has handling its claims, I have now lost all faith in [Esure]...'*

As to how she'd been affected, Miss W said that she'd spent a considerable time making calls and chasing up responses and she'd replaced many of the contents out of her own pocket, which she said was a significant hardship at the time. She said that the claim handling caused her significant stress and upset over and above that caused by the incident itself and the damage caused. As well an apology, Miss E wanted compensation to recognise this stress and upset caused. Miss W also thought that Esure should refund the full cost of the insurance policy.

Turning to Esure's submissions, in its final response in July 2022, Esure upheld Miss E's complaint and apologised to her as it agreed that its loss adjusters' timescales were unreasonable. It also expressed its disappointment that Miss E had to contact Esure twice as there hadn't been contact from the loss adjusters. It noted that the utility company was now dealing with the matter and that Miss E had withdrawn her insurance claim. It paid £30 in recognition of the inconvenience caused as the timescales were outside its intended level of service.

Esure provided its case notes and from these, it's clear that Esure considered the claim was valid and had asked Miss E to send a list of contents, quotes for repairs and costs she'd already incurred. There is a note of a call in mid-May from Miss E to say that she had sent requested documents but hadn't heard back from the loss adjusters. The notes indicated that the loss adjusters had done a desktop validation however couldn't agree to the costs without a visit to the property and aimed to visit within four to six weeks. It said *'this is taking time as the [policy holder] lives in...[a particular location]'*. Esure then asked the loss adjuster to arrange a visit urgently. It also advised Miss E that due to her location, this would delay the visit as the adjuster needed to travel. The note recorded that Miss E understood this point. Esure also provided the loss adjusters notes and said there was no reference in them to Miss E being advised not to undertake temporary repairs. It accepted however their own notes recorded that Miss E had said that she'd been advised not to proceed with any work.

Having carefully considered the available written evidence and submissions, I note that Esure has accepted that the timescales for progressing Miss E's claim had been unreasonable and didn't meet its own standards and it had apologised to Miss E. I agree that the timescales involved in dealing with the claim were unreasonable. It isn't unreasonable for an insurer to undertake reasonable enquiries to validate an insurance claim and to conduct a site visit where necessary. However, it's expected that such matters are progressed diligently and within a reasonable timescale. Even taking account of a property's location, I don't consider that the timescale of four to six weeks to conduct a physical visit to be fair or reasonable. This is particularly as it involved sewerage contamination damage to a home.

The incident and damage would themselves have been distressing and I agree with the investigator that stress and inconvenience would have been experienced even if the claim had been handled promptly. I'm satisfied however that the impact of the incident was made significantly worse by Esure's handling of Miss E's claim. I don't consider that £30 adequately recognised the additional stress and inconvenience caused to Miss E. I note that Esure's loss adjuster had overlooked an appointment for a video meeting with Miss E and that there had been some delay in reviewing the evidence which Miss E had submitted. I consider that the compensation of £30 may have been sufficient for such matters however didn't adequately compensate for all stress and inconvenience caused.

I agree that an additional award of compensation of £170 (£200 in total) is more in line with our approach to awards for distress and inconvenience for service issues of this nature. There had been more than one element to the service failure and the failure was significant. Additional stress and inconvenience will have been caused by the delay in processing the claim between mid-April and the end of May and then the distress of Miss E being told about a further four to six week wait for a site visit by the loss adjusters.

As to whether Miss E could have done more to mitigate her losses, on the balance of probabilities, I've no reason to doubt Miss E's account that the loss adjusters did advise her not to carry out any remedial works. Whilst I note that Esure's case notes don't record the point, the records don't claim to be 'verbatim' notes. In the circumstances, I don't consider it fair or reasonable to say that she could reasonably have carried out works and sought reimbursement.

More generally, I consider that Esure didn't manage Miss E's expectations as to timescales and as to what would happen. In the absence of relevant telephone recordings, I've no reason to doubt that Esure had initially indicated that there would be no need for a site visit and that the contents claim would be settled immediately, however this didn't occur and added to Miss E's frustration.

As to Miss E's request for reimbursement of premiums, Miss E accepted our investigator's reasoning as to why it wouldn't be appropriate to make an award in that respect and I concur with that reasoning as it was Miss E's choice to cancel the claim and she had received the benefit of cover for the remainder of the policy period.

Finally, it would be fair to mention that Miss E made it clear that Esure was pleasant to deal with. It would also be fair to note that it appears that the utility company initially advised Miss E to go through her insurers as its own contractors would be unable to do the work in a timely manner. As such, if Miss E had pressed on with her claim to the utility company at the outset, it is unlikely that Esure would have received this claim. However, once a claim is accepted, an underwriter is expected to take responsibility for the whole claims experience, including the policyholder's interactions with its loss adjusters. In this respect, I don't consider that Miss E's claim was handled in a fair and reasonable manner and I don't consider that £30 fairly reflected the distress and inconvenience caused. I'm therefore

satisfied that Esure should pay compensation of £170, in addition to the £30 compensation already paid and that this provides a fair and reasonable outcome to this complaint.

My final decision

For the reasons given above, I uphold Miss E's complaint against esure Insurance Limited and require it to pay compensation of £170 to Miss E, in addition to the £30 already paid, for the distress and inconvenience caused by Esure's handling of this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 15 February 2023.

Claire Jones
Ombudsman