

The complaint

Mr P is unhappy with the way Fairmead Insurance Limited dealt with a claim he made under his home insurance policy.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr P got in touch with Fairmead about damage caused by a water leak in his home. The downstairs bathroom and adjacent playroom were affected. Mr P arranged for the leak to be repaired.
- Fairmead accepted the claim, and its contractor, H, carried out repairs. This included replacing the wooden flooring in the playroom.
- Soon after, Mr P noticed the new wooden flooring had become wet again. He got in touch with H. He understood they would temporarily remove a small section of the flooring, check for leaks, and take things from there. However, all the flooring was removed, and discarded, and H didn't agree to further repairs. Mr P questioned whether the playroom had been thoroughly dried before the repairs were carried out.
- Fairmead said no drying had been carried out prior to repairs because the damaged areas were already dry. Although it accepted there was no evidence for this, Fairmead was satisfied the claim had been handled fairly. It said a leak detection report had confirmed there was no leak and the recent damage was caused by a new and separate problem – wear and tear of the external rendering, which isn't covered by the policy. So it didn't offer to carry out any work to the playroom floor.
- Without the wooden flooring, the concrete below was exposed and as a result, Mr P's children haven't been able to use the playroom. Fairmead seemed to accept that H had been unclear about how much of the flooring it would take up. But it said the flooring was beyond economic repair (BER) and couldn't have been re-laid.
- Our investigator was satisfied Fairmead had looked into the recent damage fairly and had relied on expert advice to say it was caused by a new and separate problem. Given the floor was BER, he thought it was reasonable H had completely removed it. But as this wasn't what it had agreed with Mr P, and that had left the concrete floor exposed for months, our investigator thought Fairmead should pay £500 compensation.
- Fairmead agreed with this. Mr P didn't. He said it was going to cost over £3,000 to supply and install new wooden flooring. He asked how Fairmead could show it dried the floor thoroughly before carrying out repairs.

My provisional decision

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There are a few different points, so I'll consider each separately.

Initial repairs

Fairmead says the damaged areas had dried naturally and so there was no need for drying to be carried out prior to repairs. However, it accepts there's no evidence to support this.

When carrying out a repair, Fairmead must ensure it's lasting and effective. In the case of water damage, that means ensuring the areas are sufficiently dry before carrying out repairs, otherwise a future problem is likely to arise.

In my experience, it's best practice to take moisture readings, report on what is found, and once the area is sufficiently dry, issue a certificate to confirm that. No evidence has been provided to show any of this happened. And water damage was found to the floor soon after H completed repairs.

Because of this, I'm not satisfied Fairmead has currently shown it carried out a lasting and effective repair. However, if it can show the new damage is caused by something unrelated to the original leak, then I may be satisfied that it acted fairly overall. If not, there will be more for it to do to put things right.

Cause of new damage

Fairmead arranged for a leak detection report. In principle I think that was a reasonable way forward to help identify the cause of the new damage. But it's not clear who carried out the report. It doesn't have the name of a company or the author and their role or qualifications in the report. And it doesn't seem the findings of the report were followed.

The report found elevated moisture readings and said thermal imaging indicated a potential leak from a central heating pipe under the playroom floor. It recommended taking steps to check whether there was a leak. It didn't mention any other potential problems.

I haven't seen anything to suggest these steps were taken. Instead H seems to have visited again and said the floor was dry. Then a short time later it said an area of the floor near the back door was wet, leading it to conclude the problem had been caused by the damaged external rendering nearby. I haven't seen any reports to support these findings though.

Prior to the leak detection report, H said it had carried out water tests which suggested there was a leak from an internal source and not rising damp. I haven't seen a report to support these findings either and they seem inconsistent with what H later said.

Mr P took advice from a company which I understand deals with water leak problems for other insurers. It suggested Fairmead should have carried out drying initially and the extent of damp found in the leak detection report could be residual moisture from the initial leak. But no report or investigation of its own was provided.

So overall, the picture is very unclear. The only report I've seen indicated a leak and nothing else, but it's unclear who produced it. The possibility of that leak hasn't been followed up. H itself indicated an internal leak initially but later thought the problem was solely related to render wear and tear. I haven't seen any reports from H. Given how unclear and inconsistent the evidence is, I'm not persuaded the conclusion Fairmead has drawn from it is reasonable.

I would have expected Fairmead to consider things thoroughly, carry out further investigations to rule out possibilities if necessary, and reach a clearly reasoned conclusion. It hasn't done that, so I'm not satisfied it has treated Mr P fairly.

It's now well over a year since the flooring was lifted. Mr P says the floor has remained dry during that time – despite no work being carried out to the render. This suggests there isn't another leak – from the render or elsewhere.

Whilst it's *possible* the original leak had dried and the subsequent problem is unrelated, I don't think the available evidence clearly supports that being the likely position. It seems more likely the floor wasn't fully dry when the flooring was laid and the remaining moisture caused damage. That doesn't amount to an effective and lasting repair.

Because of this, I'm satisfied it would be fair for Fairmead to pay to have new flooring laid. It can arrange to have that work carried out by its own contractor or pay Mr P the cost he would face if he had the work done.

Removing the new flooring

Fairmead seems to have accepted H gave Mr P unclear information about what it was going to do. I've seen it say it would remove 'part' of the flooring and it removed all of it, disposing of the flooring without Mr P's agreement.

H says the way the floor was laid, and the fact it was BER, meant it all had to be removed and couldn't be re-laid. I haven't seen any evidence to the contrary and given it had been water damaged, that seems likely. However, if H had told Mr P this before it carried out the work, he may have chosen to keep it as it was. But I think sooner or later it would have needed to be taken up to investigate the problem further and aid the drying of the area.

So whilst H ought to have been clearer with Mr P about what it was going to do – and sought his permission when it changed its plans – I'm not persuaded this has caused significant distress and inconvenience. I will factor this into the overall compensation figure.

It took H and Fairmead a long time to investigate the damage after Mr P said the new flooring had become damaged. And, as I've set out above, I'm not satisfied it reached a reasonable conclusion about the cause of the problem. If it had acted more promptly and effectively, I don't think Mr P would have been unable to use the playroom properly for as long. And if it had dried the floor thoroughly first time round, the significant delay putting the floor back would have been avoided.

As a result, I'm satisfied Fairmead should compensate Mr P. I think £500 is reasonable in the circumstances.

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.

Mr P responded to say he accepted my provisional decision.

Fairmead didn't respond.

As neither party commented on or challenged any of the findings in my provisional decision, I see no reason to change them or comment on them further.

My final decision

I uphold this complaint and require Fairmead Insurance Limited to:

- Pay to replace the flooring.
- Pay £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 January 2023.

James Neville
Ombudsman