

The complaint

Mrs and Mr M complain about how Ocaso SA, Compania de Seguros y Reaseguros handled a claim under a home insurance policy.

Mrs and Mr M are represented in this complaint, but I'll just refer to them throughout. Ocaso had a loss adjuster (LA) handle the claim on their behalf, but I'll mainly refer to Ocaso.

What happened

The parties are fully aware of the background circumstances and so I won't rehearse these in detail. And where I reference specific dated emails, the parties have these and can refer to them for the relevant details.

Mrs and Mr M experienced an escape of water inside their property in 2017. Ocaso accepted a claim and arranged for its agents to handle the matter and carry out repairs. Several years later Mrs and Mr M continue to experience issues with the repairs carried out, including but not limited to low water pressure, foul smell emanating from the bathroom and outstanding snagging / repair issues. They also complain about the standard of customer service they've experienced.

Our investigator thought Ocaso needed to do more to put things right and recommended that they pay £600 compensation, liaise with the local council to resolve the smell issue, arrange for an increase in water pressure and decide on the claim issues raised by Mrs and Mr M in correspondence dated 15 October 2021. In addition, the investigator considered Ocaso's proposals set out in an email of 12 September 2021 were a reasonable way forward for those matters contained within.

Ocaso disagreed and I've summarised their position as follows:

- The water pressure might be related to pipework.
- The smell isn't related to the claim but likely to come from the shower trap when not used.
- It doesn't have any other contractors available to attend the property given the breakdown in communications between Mrs and Mr M.
- The loss adjusted recommended Ocaso make a cash settlement.

As agreement couldn't be reached the matter has been referred to an 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.

I sent the parties a provisional decision on 16 November 2022. Both parties have

acknowledged receipt and the only additional submission comes from Ocaso's loss adjuster. The only issue raised was that of compensation and who would pay it.

When handling a claim Ocaso's duties include handling it 'promptly and fairly', not unreasonably rejecting it and providing reasonable guidance to make a claim and appropriate information on its progress. And once terms are agreed it should settle the claim promptly.

The background to the complaint is detailed and lengthy, unsurprisingly given the length of time the parties have been in dispute. It seems though that the outstanding issues for resolution chiefly concern:

- Water pressure
- Foul smell from bathroom
- Snagging issues for repair.

Water Pressure

I've seen a report from Ocaso's agent's Regional Performance Manager (RPM) concerning a site visit on 22 May 2018, at which Mrs and Mr M had family representatives. It's recorded in the report that the RPM had spoken to housing estate officials who managed the estate where Mrs and Mr M reside, and it was accepted there were estate wide issues with water pressure, and heating systems.

However, it appears a pump was installed as part of the insurance repairs and so if that pump has or is failing or is unsuitable then Ocaso will need to address that and ensure it's working optimally as intended. And indeed, more recently the RPM has accepted when the works were originally discussed pipework was mentioned which could alter the pressure. Therefore, I'm persuaded the water pressure issue is, on balance, related to repairs and so Ocaso will need to investigate and remedy this.

Foul Smell

I haven't seen anything to suggest that there were historic issues responsible for the foul smell. It appears from the LA file some plumbing rectification work was carried out. While in the immediate aftermath the smell may have reduced, since then it has been a consistent complaint point that continues to impact Mrs and Mr M's enjoyment of their property.

I'm satisfied by what Mrs and Mr M have said about the smell that it's a current issue and wasn't a feature before the subject claim incident. Indeed, there's evidence that remedial work was carried out on the pipework installed or repaired as part of the insurance claim.

Therefore, Ocaso will need to take steps to ensure that the foul smell is suppressed such that Mrs and Mr M are able to live in the property without that smell. It appears the source is in the bathroom and potentially the shower waste trap. That will need to be investigated to ensure the pipework is compliant with relevant plumbing regulations and / or good plumbing industry practice and remediated. If it's demonstrated that the pipework is compliant and the cause of the smell is an extraneous issue to the insured works and outside Mrs and Mr M's property, I'd expect Ocaso to give reasonable guidance about what steps Mrs and Mr M can take to progress investigation, be it the Council, housing estate officials or other relevant body.

Snagging list for repairs

Since around 2018 many issues have been raised and addressed with some issues unresolved. There's a lack of contemporary notes to substantiate every single snag and I understand the parties' positions. For example, Ocaso query why snags haven't been mentioned previously by Mrs and Mr M, and yet they say, reasonably, that matters were raised orally but Ocaso's agents surprisingly didn't take notes at the time these were raised.

We're not a court and my role is to make a determination that I consider to be fair and reasonable in all the circumstances. The investigator referred to a list provided to Ocaso by Mrs and Mr M on 15 October 2021, which raised several issues including:

- Basin in bathroom
- Tank in cupboard
- Bedroom doors
- Shower pump
- Skirting behind sofa

These matters were in addition to a list set out by Ocaso in an email of 12 September 2021 setting out specified works together with a four-day program to carry out repairs including plumbing, carpentry, decorating and snagging.

While I appreciate that Ocaso doesn't appear to agree with the contents of Mrs and Mr M's email of 15 October 2021, the fact is by that time repairs related to the insured works were still incomplete and this was around four years after the claim notification. It's very clear from the information in Ocaso's file, and from what Mrs and Mr M have sent, that handling of the claim has caused distress and inconvenience. They have lived with fundamental issues that have impacted the enjoyment of their property for several years including the smell, various leaks, and poor repairs. This has necessitated lengthy and regular correspondence with Ocaso and several visits to their property. And all this in the context of Mrs and Mr M's poor health. As such I will be making a compensatory award for more than what the investigator recommended.

Putting things right

Ocaso must do the following:

1. Instruct a loss adjuster (LA) to visit Mrs and Mr M's property:
 - a. The LA must be given the correspondence of 12 September 2021 and 15 October 2021 referred to earlier in this decision.
 - b. The contents in these emails will be the sole basis of the repair work to be done.
 - c. The LA will need to assess the individual items in these emails and create a fully scoped schedule of works (SOW) to put the matters right.
 - d. In addition, the LA must price the SOW at market rate, that means undiscounted rates that Ocaso may benefit from.
 - e. The LA's report must be provided to Mrs and Mr M.

2. Once step 1 a – e has been completed Ocaso has the following options:

- a. Instruct contractors to carry out the work according to the SOW;
 - i. if this requires the property to be unoccupied, for example because it has no kitchen or bathroom facilities, then arrange alternative accommodation (AA) for Mrs and Mr M and the property occupants.
 - ii. Ocaso will be responsible for covering the cost of AA.
- b. If Ocaso can't or will not offer contractors to carry out the SOW repairs, then it must pay Mrs and Mr M the market rate cost specified in the SOW.
- c. If Mrs and Mr M don't want Ocaso's contractors to carry out the repair work, then Ocaso can offer a cash settlement. This settlement will be reduced according to the discounted rates Ocaso can obtain from its contractors. This could leave Mrs and Mr M having to cover any shortfall including their own AA, if such is required.

3. Pay Mrs M and Mr M £1,000 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint and require Ocaso SA, Compania de Seguros y Reaseguros to put things right as described in the above section numbered 1 – 3.

Ocaso must pay the compensation within 28 days of the date on which we tell it Mrs M and Mr M accept my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 16 January 2023.

Sean Hamilton
Ombudsman