

The complaint

Mr and Mrs L complain that Ageas Insurance Limited (Ageas) provided poor service when settling a claim they made following a fire at their home.

What happened

Mr and Mrs L's home was severely damaged by fire in April 2021. They approached Ageas, which provided their home insurance, to make a claim. Ageas accepted the claim and used D – a claim handler – to deal with the claim on its behalf. As Ageas is responsible for the actions of D, I'll refer to Ageas throughout the rest of this decision to make reading easier.

Mr and Mrs L used their own loss adjuster to handle things on their behalf – but again for ease of reading I'll only refer to Mr and Mrs L from now on.

Mr and Mrs L complained to Ageas about the way an initial visit to assess the damage was conducted. They say they were promised money for a disturbance allowance at £100 a night until alternate accommodation could be found, and also £5,000 towards lost contents and up to £10,000 for alternate accommodation.

None of these promises were kept – and Ageas said they shouldn't have been made, as they hadn't been authorised.

Mr and Mrs L moved in to Mr L's parents' home, which was empty. Some alternate accommodation was eventually found about three months later, and Mr and Mrs L moved. Whilst in the alternate accommodation Mr and Mrs L had to keep chasing Ageas to make the rent payments when they fell due – and at one point were threatened with eviction. To avoid that they paid £3,000 of rent themselves, which Ageas refunded a week later.

Mr and Mrs L complained about the way they were being treated as early as mid May – and only after this did they receive any money to help them replace clothing etc that had been lost in the fire.

Mr and Mrs L also complained about the time it took Ageas to settle the claim, and that it unreasonably refused a request for a semi-permanent roof cover to be installed. They say this meant the builders took a couple of hours each day removing and replacing tarpaulins that were supposed to keep the house dry – time that could have been better spent on the repairs.

Ageas sent a final response to Mr and Mrs L's complaints in November - it said it hadn't realised they were complaining in May – and offered £400 to make up for the way it had behaved. It also said it would pay any outstanding disturbance allowance. This offer was withdrawn about three weeks later, as Ageas didn't think any payment was due.

Mr and Mrs L didn't think that was fair, so they asked us to review the complaint. Our investigator didn't think the offer was enough. He looked carefully at the terms and conditions of the policy and noted that they said Ageas would pay up to 2 years rent for alternate accommodation. However, he also noted that Mr and Mrs L hadn't paid any rent

whilst at Mr L's parent's house – so he couldn't ask Ageas to pay for this. He did think that some disturbance allowance was due, and he thought Ageas should pay any extra costs Mr and Mrs L had had – such as travel costs - and thought Ageas should pay £250 towards this.

He agreed that Mr and Mrs L had been told they'd get a disturbance allowance of £20 a night, and that Ageas' agent had unfairly raised their expectations of receiving this in its final response letter, only to then withdraw this. He recommended compensation of £200 for this.

He also looked at the delays in payment, in particular for the rent due on the alternate accommodation. He concluded that would have been both stressful and embarrassing for Mr and Mrs L, and that although they got their £3,000 back in a week, they shouldn't have had to pay this amount at all. He thought an additional £200 should be paid to Mr and Mrs L to compensate them for this.

Overall, he concluded that Ageas should pay Mr and Mrs L an additional £650 on top of the £400 already offered.

Ageas agreed, but Mr and Mrs L asked the investigator to also take into account the fact that Mr L's parents had to delay selling their home by four months because Mr and Mrs L had nowhere else to go. Mr L told us he thought that was a potential loss of just over £1,000 in lost interest. And he says he's never received the £20 a day disturbance allowance he was promised at the beginning of June 2021.

Our investigator explained that he'd included what he thought was a fair sum for the additional costs Mr and Mrs L had whilst they were at Mr L's parent's home in the compensation (£250 for extra travel). He didn't think he could ask Ageas to pay for a potential loss of interest because of a delayed house sale – as that wasn't Mr and Mrs L's loss.

Mr and Mrs L have asked for an ombudsman to review the complaint as they think the compensation is too little to make Ageas change its ways.

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'm very sorry Mr and Mrs L have suffered such a traumatic event.

I can see from the paperwork provided that Ageas and its agents provided a less than satisfactory service to Mr and Mrs L. It did acknowledge that when it offered £400 to make up for this.

However, I also agree with our investigator when he said he didn't think this was enough – and I'm pleased to see that Ageas accepted his recommendations.

Mr and Mrs L don't think Ageas is being asked to pay enough, given its broken promises and poor service. They say that an additional £650 won't make Ageas change any of its practises.

The remit of this service isn't to penalise Ageas for the way it does business. Instead our remit is to make sure customers receive reasonable compensation when things go wrong, as they did here. We normally do that in two ways – by putting a customer in the position they'd have been in if a mistake hadn't been made (correcting any financial losses, for example) and by asking a business to provide compensation for any unnecessary distress and

inconvenience they've caused.

We ask businesses to put mistakes right financially by considering what the correct course of action should have been. I completely understand how frustrating it must have been for Mr and Mrs L to have been promised money they were then told they wouldn't get. So I do appreciate their expectations were raised unfairly when they were promised various sums of money at the first (and subsequent) meeting they had with Ageas' representative.

However, if the agent had done his job properly, he wouldn't have been promising money that then didn't get paid. Instead he'd have explained the sort of things that would be paid for – such as any additional rent that Mr and Mrs L might pay, or extra travel costs. That's what the terms and conditions say will be paid.

Often, if these costs can't be quantified, an insurer will pay what is called a daily "disturbance allowance". It's important to note that this isn't a payment for the inconvenience of having to live elsewhere for a time, it's meant to reimburse additional costs. Mr and Mrs L told us they didn't pay extra to live in Mr L's parent's home, but they did have to travel farther for work, etc. So I think our investigator's suggestion that Ageas pay £250 towards these costs is reasonable.

As for the promise made in the final response letter that Ageas would pay any outstanding allowance, Ageas doesn't think this was incorrect – but as there wasn't anything due, no payment needed to be made. But I do think Ageas raised expectations that there would be a payment – and again I agree with our investigator's recommendation that this warrants £200 compensation.

Finally I can see that it must have been both worrying and embarrassing to be threatened with eviction because of Ageas' shortcomings. That simply shouldn't happen in these circumstances. Mr and Mrs L also had to use their own money, even if only for a week, and that is an unnecessary issue for them to deal with in already trying circumstances. I agree Ageas should pay £200 compensation for this.

Mr and Mrs L asked us to consider whether we should instruct Ageas to pay about £1,000 of lost interest, because the sale of Mr L's parent's property was delayed by about six weeks. I don't doubt there may have been a delay, but I don't think I can ask Ageas to reimburse Mr and Mrs L in these circumstances. Firstly, it's a hypothetical loss, as we don't know what would have happened if Mr and Mrs L hadn't moved in to the property. And second, the loss would have been for Mr L's parents – not Mr and Mrs L.

Mr and Mrs L also explained that they thought Ageas had unnecessarily delayed repairs by not agreeing to pay for a temporary roof on the property whilst work was being done. I'm afraid I can't say that this was a mistake on Ageas' behalf. Ageas is required to make good the damage to approved standards. How it chooses to do that is up to Ageas, and if it doesn't consider the additional expense was warranted, I can't make it compensate Mr and Mrs L for this.

Finally, as I explained at the start of my decision, I am only able to ask Ageas to compensate Mr and Mrs L fairly – I can't impose a "punitive" amount in order to get Ageas to change its business practises.

Putting things right

To put things right Ageas should pay Mr and Mrs L £1,050 – the original £400 and the extra £650 described above.

My final decision

My decision is that I uphold this complaint and require Ageas Insurance Limited to pay Mr and Mrs L £1,050 compensation for the way it handled this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 19 April 2023.

Susan Peters
Ombudsman