

The complaint

Mr M and Ms M complain about how Fairmead Insurance Limited ('Fairmead') handled their buildings insurance claim.

Fairmead are the underwriters (insurers) of this policy. The majority of this complaint concerns the actions of their appointed agents. As Fairmead accept they are accountable for the actions of their agents, in my decision, any reference to Fairmead should be interpreted as also covering the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr M, Ms M and Fairmead. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr M and Ms M had a home insurance policy with Fairmead. In February 2022 they made a claim against their policy following a car hitting their house. Fairmead accepted the claim and a schedule of works which were expected to last for around three weeks was agreed. The works were due to commence in May 2022. Mr M and Ms M needed to move into alternative accommodation.

Mr M and Ms M became unhappy with the progress of the works, the time taken and the overall communication from Fairmead and their agents. Fairmead accepted that things didn't happen as they should have whilst they handled this claim and offered £750 in compensation. Mr M and Ms M remained unhappy and referred their complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that Fairmead needed to do anything further.

As Mr M and Ms M didn't accept the Investigator's recommendations, the complaint was then referred to me for a decision. I recently sent both parties a copy of my provisional, intended findings outlining why I was increasing the compensation from £750 to £1200 and invited all parties to refer to our externally published guidelines on distress and inconvenience: <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

As the deadline for responses has now passed, I've now considered the complaint for a final 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.

Fairmead acknowledged my provisional decision but made no further comments. Mr M and Ms M didn't respond by the deadline set. As no material new evidence that would affect the outcome of this complaint has been presented, my earlier findings in my intended, provisional findings still stand. I've included the findings below.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service.

It's not in dispute that things didn't happen as they should have and this has had an impact on Mr M and Ms M. I say this because in their final response letter, Fairmead said:

“....it's clear that you've experienced a lack of communication and delays that should have been avoided due to poor project management. This left you in alternative accommodation longer than what should have been necessary, with the additional upset of you having to move a number of times. Therefore as discussed, to say sorry for this and for any trouble, upset or inconvenience caused since you reported the claim, I've awarded you £750 compensation....”

The test here is whether Fairmead have done *enough* to put things right. I find that they haven't.

I say this because, in my opinion, many of the issues faced by Mr M and Ms M over many months were completely avoidable and Fairmead had a real opportunity early into this claim to get a handle on the situation and the actions of their appointed agents. It's particularly disappointing that even after Mr M and Ms M were pro-active in letting Fairmead know what was (or wasn't) happening this didn't lead to an improved claim journey for them.

I'll give some examples below of events that have happened and their impact on Mr M and Ms M that I don't find Fairmead have fully recognised with their offer.

Fairmead say the works took over three times longer (14 weeks) than initially expected. This resulted in Mr M and Ms M being out of their home for much longer than originally planned. I find it unusual that there wasn't more urgency to complete these repairs given the initial report into the repairs highlighted that speed was important to prevent the damage becoming worse. Having reviewed the evidence, including a detailed timeline provided by the managing director of the contractors carrying out the repair works (dated 29 December 2022), the timeline from start to completion appears to run from mid-March 2022 until early 2023.

This is also supported by a report dated 18 November 2022 which states:

“Works are now nearing completion with final items to resolve, updates awaited from Contractors & Surveyors.”

I've taken a balanced approach here as some delays will have been caused due to supply chain issues. For example, when waiting on windows and cladding. But the evidence shows that much of the delays were due to agents (contractors) of Fairmead not being on site when expected. Work delays and various missed meetings only delayed the necessary repairs and Mr M and Ms M returning to their home.

In any situation like this, the policy holder will have a finite amount of patience and understanding. I find Mr M and Ms M to have been reasonable and I'm not at all surprised to see that eventually the business relationship between them and the appointed contractors broke down.

In my opinion, Mr M and Ms M (as the customers in this relationship) couldn't have done much more to try and move this claim to settlement and were chasing many of the agents involved on a regular basis – often with no or unsatisfactory replies. This will have been incredibly frustrating across many months.

In their final response letter, Fairmead have said *“it’s clear that you’ve experienced a lack of communication and delays that should have been avoided due to poor project management.”* I agree with this statement and I find that overall the claim was handled incredibly poorly.

The running theme of failures by Fairmead here is consistently underpinned by really poor communication. I also find that there was a lack of accountability for the actions of their agents by Fairmead. This will just be one of many claims that Fairmead will have been dealing with at any one time, but I believe that many of the issues with this claim could easily have been avoided and the impact on Mr M and Ms M mitigated through efficient communication, project management and proper accountability.

Putting things right

Fairmead Insurance Limited need to pay Mr M and Ms M a total of £1200 compensation. If they have already paid the earlier offer of £750, they now need to make payment of an additional £450.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M and Ms M to accept or reject my decision before 28 November 2023.

Daniel O'Shea
Ombudsman