

## **The complaint**

Ms J complains about a claim settlement following a claim she made under her home insurance policy with QIC Europe Ltd.

QIC are the underwriters (insurers) of this policy. Part of this complaint concerns the actions of their appointed agents. As QIC have accepted they are accountable for the actions of their appointed agents, in my decision, any reference to QIC should be interpreted as including the actions of their appointed agents.

## **What happened**

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

Ms J had a home (buildings) insurance policy with QIC since November 2021. In October 2022, Ms J notified QIC that she'd had a fire in her property that had caused damage to the building and her contents.

QIC considered the claim and ultimately cash settled for £14,542.41. Ms J raised a complaint as she was unhappy with the settlement amount. In particular - that the amount offered didn't include a contribution towards kitchen units. QIC said their surveyor had determined that the kitchen units didn't require replacing and Ms J had prejudiced their position by having the units removed.

As she remained unhappy, Ms J referred her complaint to our Service for an independent review. Our Investigator considered the complaint and recommended that it be partially upheld. They said that QIC should contribute 50% of the cost of the kitchen units and pay Ms J £100 to recognise that they could've handled the claim better.

QIC didn't accept the Investigator's recommendations, so the complaint has been passed to me for a 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.

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.

My decision will consider whether QIC have fairly settled this claim. I'll also be considering how QIC have treated Ms J overall. Our investigator has already explained that any issue with the bath/decorating works doesn't form part of this specific complaint.

The main remaining area of contention in this complaint is the kitchen units. QIC say that Ms J has unfairly prejudiced their position and breached the policy terms (unauthorised

works) by removing and disposing of the kitchen units shortly after they told her they wouldn't be covered under the claim settlement. Ms J's justification for removing the units was there remained a smell of soot after they were moved for cleaning.

I've given careful consideration to the arguments put forward by both sides here. But my finding, based on the available evidence, is that QIC need to reimburse Ms J 50% of the cost of the replacement kitchen units (subject to reasonable proof of her outlay). I've reached this position for the following reasons:

- QIC are correct that Ms J has technically breached the policy terms here. However, QIC will also be aware that our Service's remit extends to considering what is fair and reasonable in the circumstances of each complaint (DISP 3.6.1).  
<https://www.handbook.fca.org.uk/handbook/DISP/3/6.html>
- It's reasonable to assume that Ms J wouldn't have taken drastic action (being without kitchen units) unless a genuine issue remained with the units after the relevant cleaning works had previously been completed.
- Where the units were located was close to the epi-centre of the fire that caused the damage being claimed for here. Therefore, it's reasonable to assume (given their makeup/materials etc) that they'd have been affected by the impact of the smoke and soot.
- I'm not at all persuaded by QIC's arguments that 'but for' the cabinets being moved there wouldn't have been any impact of the smoke/soot. It's apparent that the cabinets were impacted and Ms J told QIC through their portal that the smell had been making her cough. I've also noted that a number of cleaning attempts had been made prior to their removal and Ms J let QIC know on 10 November that a smell remained.
- QIC are correct that Ms J not retaining the units and instead disposing of them meant they couldn't inspect them. But I've balanced this against QIC having had ample opportunity to inspect the units (through their appointed agents) on a number of occasions prior. For example, the initial survey was carried out on 17 October and five subsequent visits had taken place before Ms J removed the units. Another opportunity to document the condition of the units was available to QIC after the most recent clean on 8 November. This is important as the initial report stated that as a clean had not yet been completed there "*may be additional building items to add to the schedule*".
- Although I'm not making a finding on the actions of Ms J, I find that a 50% contribution reflects that she could've communicated much more clearly what her intentions and next steps were *before* removing the units - and potentially avoided the situation she then found herself in afterwards. This also reflects that as the units were disposed of, an inspection can't take place to ascertain their condition and I can't fairly conclude if the suggested "*fog or odour eliminators*" would've resolved the issue here.

When considering how QIC have treated Ms J overall, our Investigator recommended that QIC compensate her £100 for how they'd handled this claim. I find this to be fair, reasonable and proportionate.

### **Putting things right**

Given the specific circumstances of this complaint, QIC Europe Ltd need to:

- Make a contribution of 50% towards the kitchen units that Ms J has replaced. This is subject to reasonable proof of her having made payment. Interest at a rate of 8% simple per annum should be added from the date Ms J made payment until the date QIC settle *this* part of claim (not any other outstanding issues); and
- Pay Ms J £100 compensation in recognition of how this claim was handled.

### **My final decision**

My final decision is that I uphold this complaint and direct QIC Europe Ltd to follow my direction as set out under the heading 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 10 July 2023.

Daniel O'Shea  
**Ombudsman**