

The complaint

Mr M is unhappy with the decision made by QIC Europe Ltd following claims for escape of water under his home insurance policy.

QIC are the underwriters of this policy. Part of this complaint concerns the actions of the agent, company T. As QIC have accepted they are accountable for the actions of company T, in my decision, any reference to QIC includes the actions of company T.

What happened

Mr M took out home insurance with QIC. Mr M's policy covered him for escape of water. Each escape of water claim was subject to a £750 excess.

Mr M contacted QIC to register a claim following an escape of water in his en suite bathroom. Mr M was put through to company T to deal with his claim. On the same day Mr M also advised of an escape of water in his main bathroom.

On 30 May 2022 company T arranged for a surveyor to inspect the damage for both claims. The surveyor recorded that the damage to the en suite is less than policy excess of £750 and so a claim would not be made. He completed a scope of repairs for the main bathroom at £982.85. This was incorrect as it was the en suite that needed repairing.

Company T paid Mr M £982.85 on 10 June saying this was for the main bathroom. Mr M used this money to complete repairs to the en suite.

During repair of the en suite, Mr M's plumber found further issues that needed repairing that hadn't previously been authorised. There were also issues found with the main bathroom. Mr M made company T aware of this and asked for both claims to be considered.

Mr M chased company T several times asking for an update on his claims. Mr M has explained how he was continually misadvised about the claims that QIC would be covering, and what action was required for the claims to be settled.

Mr M found a plumber to complete the outstanding work required to both the en suite and the main bathroom. He sent these quotes to company T for consideration.

On 10 July Mr M took out a loan for £5,515.20. Mr M has explained this loan was to cover the outstanding repairs, and he did want to lose the plumber found to complete the work. Mr M also raised a complaint with QIC about the amount of time taken to deal with his claims.

On 18 July company T paid Mr M £2,787.88 in settlement of one of his claims. Company T said this was for the en suite. On the same date company T paid Mr M £1,943.65 and informed this service that this was an overpayment, and has not been requested back.

On 25 July a further payment for a new shower tray was made for £354.07. On the same date QIC responded to Mr M's complaint apologising for the delay in dealing with the claims,

and confusion caused during the handling of both claims. QIC offered Mr M £100 in total (£50 for each claim) in recognition of their poor handling of the claims. Mr M rejected this.

Mr M was unhappy with this response, and brought his complaint to the Financial Ombudsman Service.

During our investigation it was confirmed that QIC have paid Mr M the correct amount for each claim, so there hasn't been an overpayment. It was found that the payment for £2,787.88 was in settlement of the main bathroom, and the payments for £982.85, £1,943.65, and £354.07 were all for the en suite claim. It was agreed that because of the confusion and miscommunication with Mr M about his claims, the service provided by QIC wasn't in line with what we'd expect. We asked QIC to pay £350 in recognition of the impact on Mr M because of the delay in resolving his claims, and incorrect information given about claims that had been paid/ outstanding throughout the claims process.

QIC disagreed with these findings saying *'there has clearly been some confusion with the two claims, [however] the confusion did not lead to large scale delays of weeks and months and the claims were resolved within reasonable timeframes that would be expected for this type of peril. I therefore do not feel that there was considerable distress and upset caused and as such, I feel an award of £200-£250 would better fit the guidance on your website.'*

Mr M also disagreed with the recommended compensation amount of £350 saying that *'I'm shocked that an insurance company would blatantly lie to a financial ombudsman on more than one occasion. I hope this matter can now finally be settled with a payment that reflects not only the stress and hardship we had to entail but also the length of time we have had to wait due to the lies and confusion from QIC.'*

As the complaint couldn't be resolved, it has been passed to me for 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.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

Mr M feels strongly that QIC have not dealt with his claims properly. I thank Mr M for taking the time to explain his personal circumstances and everything that's happened since the escape of water incidents in his home in May 2022.

Following referral of Mr M's complaint to this service, QIC maintained their position that Mr M had received an overpayment of £1,943.65. QIC understood the initial payment of £982.85 together with a later payment of £354.07 for a shower tray, was in conclusion of Mr M's main bathroom claim. QIC said the payment for £2,787.88 was for the en-suite repair work.

It has since been found that the surveyor that attended to Mr M's house on 30 May incorrectly confused the two claims- saying that a claim would be made for the main bathroom, when in fact it was the en suite which a scope of repairs was agreed for.

Mr M was paid £982.85 on 10 June. Company T told Mr M that this payment was to cover the main bathroom. But this money was used by Mr M to complete repairs to en suite, as that is what he had verbally agreed with the surveyor at the time of inspection. This confusion resulted in weeks of frustrated calls with company T, and confused conversations

about the update on Mr M's claims. Even after settling the claims in July 2022, QIC were unaware of the correct value for each claim- saying that an overpayment had been made.

QIC dispute the recommended compensation of £350, saying that *'the confusion did not lead to large scale delays of weeks and months and the claims were resolved within reasonable timeframes'*. QIC don't consider that their error led to *'considerable distress and upset'* and say an amount up to £250 would more fairly reflect the trouble and upset caused to Mr M.

Mr M says that £400 fairly reflects the trouble and inconvenience experienced because of company T's poor handling of his claims. Mr M has stressed how the impact on him has been particularly frustrating because of QIC's failure to fully investigate the issues with his claim, and maintaining that he'd received an overpayment when he'd explained several times why this wasn't the case.

I've considered these comments alongside what went wrong with Mr M's claims, and the impact on him. I have also considered our general approach to compensation for complaints of this type.

We determine each case on its own merits. There is no formulaic approach so we look at what's happened, and determine compensation to reflect the impact of what went wrong.

In this case although Mr M received the correct amount for his two claims in July 2022 I'm persuaded that that impact of the confusion was more far reaching than the period in which QIC paid the claims by. Up until Mr M brought his complaint to this service, including the early stages of our investigation process, QIC maintained their position about Mr M receiving an overpayment. I think it would've caused Mr M frustration for a prolonged period of time being told that his claims had been properly understood and considered by QIC.

Given the length of time that the issues have gone on for, and the continued miscommunication with Mr M about his claims, I'm satisfied £350 is fair compensation in recognition of the upset and stress caused to Mr M throughout his dealings with company T. QIC may not agree that the level of compensation is proportionate to what went wrong, and the impact on Mr M, but I'm satisfied £350 is a fair and reasonable amount which reflects the inconvenience caused during Mr M's interactions with company T about his claims, and the time taken to fully understand Mr M's claims.

Because the claims had been incorrectly recorded in the surveyor's report, company T continually asked Mr M for wrong information, and provided incorrect claim updates when he called to discuss his claims. When Mr M asked for the scope of repairs to be sent to him for each claim, it took several phone calls and repeated explanations before he was sent the correct information. I'm persuaded this would've caused Mr M inconvenience and stress.

Thinking about our approach to compensation, and the impact on Mr M, I'm persuaded £350 takes into consideration the prolonged period of inconvenience and stress caused by QIC's failure to fully understand Mr M's claims, and the frustrating dealings with company T while Mr M was waiting for his claims to be reviewed. But it also recognises that Mr M was paid the correct amount for his claims (despite QIC saying part of this money was an overpayment) in July 2022.

I've also considered what Mr M has explained about the loan he had to take out, and interest he paid on this. I agree that there was a delay between Mr M sending company T the evidence they needed to correctly assess his claims in June 2022, and Mr M receiving the correct payments in July. And I appreciate what Mr M has said about the risk of losing his plumber because of the delay caused by company T.

But I think compensation of £350 fairly reflects the impact on Mr M- taking into consideration what Mr M has explained about his losses. This recognises the impact on Mr M because of company T confusing the two claims, and the miscommunication with Mr M as a result of this. But it also recognises that Mr M was not left out of pocket for his claims, as the two claims were correctly paid in July 2022.

Putting things right

QIC Europe Ltd should pay £350 to Mr M in recognition of the inconvenience and upset caused to him by their poor handling of his claims.

My final decision

For the reasons provided I uphold this complaint.

QIC Europe Ltd must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 April 2023.

Neeta Karelia
Ombudsman