

The complaint

Mr D and Miss S complain about how Fairmead Insurance Limited (Fairmead) handled a claim under their home insurance policy for water damage to their property.

References to Fairmead include their agents who handle claims.

What happened

In November 2021 there was an escape of water at Mr D and Miss S's property, which they discovered when decorating their son's bedroom, finding damaged floorboards under the carpet. They thought the leak came from the bathroom next to the bedroom, although there was no visible leak. They contacted Fairmead to tell them about the incident and lodge a claim. Fairmead appointed a firm (B) to assess the damage and handle the claim. B sent a surveyor to the property four days after notification of the incident.

B's report concluded the escape of water was likely to have originated from the bathroom suite, causing damage to the wall adjacent to the suite and the floor, as well as to the wall and floor of the adjoining bedroom. Shortly after, Mr D and Miss S engaged a plumber, who identified the cause of the leak and fixed it.

Fairmead then asked Mr D and Miss S to obtain two estimates from contractors to repair the damage from the leak, which they would consider as part of their assessment of the claim. At the time they were prioritising claims from storms that had occurred recently, which also meant they wouldn't have been able to appoint contractors to carry out the work within a reasonable timeframe. Following clarification of the process for obtaining estimates in January 2022, Mr D and Miss S sought contractors to provide estimates of the work required (based on a scope of works prepared by B). In the meantime, Fairmead put the claim on hold (February 2022). They re-opened the claim in April 2022, when Mr D and Miss S provided quotes from two contractors.

The quotes were initially considered by B, who thought them too high. Unhappy at what had happened, the length of time taken to deal with their claim and how it had been handled, Mr D and Miss S complained to Fairmead in May 2022. In their final response issued later in May, Fairmead accepted Mr D and Miss S had received a less than desired level of service and apologised. They noted the sequence of events from the notification of the incident in November 2021, through to quotes provided in April 2022, and review by B. Fairmead said they'd raised a payment for £9,547.72 (net of the policy excess of £250) based on one of the quotes provided by Mr D and Miss S. They confirmed VAT would be paid on receipt of a VAT invoice when work was completed.

Mr D and Miss S then complained to this service. They said the leak was fixed in December 2021, but thereafter there was no progress with the claim until they complained to Fairmead in May 2022. They'd continually contacted B for updates. They said the episode significantly affected them and their family. Particularly their son, who was vulnerable, having to sleep on a mattress on the floor with damp and mould. It also affected their son's routine, impacting him significantly. They accepted Fairmead acted promptly to settle their claim when they complained, but their issue was how B handled the claim. They thought their son's sleeping

situation had been overlooked and they wanted compensation for six months of upheaval and disruption.

Our investigator upheld the complaint. He noted Fairmead had apologised and settled the claim at a quoted figure. It was also fair to settle the claim by a cash settlement, as storm damage claims were taking priority and Fairmead wouldn't have been able to arrange for contractors to carry out the repair and reinstatement work in a reasonable timeframe. It was also reasonable for Fairmead to review the quote from Mr D and Miss S's contractor and to challenge where they thought they were too high. Receiving the quote in April 2022 and a settlement in May 2022 was reasonable. But he didn't think Fairmead considered the distress and inconvenience caused to Mr D and Miss S. He thought Fairmead should pay them £150 in compensation.

Mr D and Miss S disagreed with the investigator's conclusions and asked that an ombudsman review the complaint.

In my findings, I concluded Fairmead acted reasonably in making a cash settlement and challenging the quotes from Mr D and Miss S's contractors. And while there was delay while the quotes were provided to Fairmead, I concluded there was some delay attributable to Fairmead.

Given this, particularly the time between the quotes being provided and Fairmead settling the claim based on one of the quotes, I didn't think an apology for their service not being to standard was sufficient to put things right. So, I concluded Mr D and Miss S did suffer distress and inconvenience that was, to a degree, avoidable.

I also considered the impact on Mr D and Miss S, in particular the nature of their son's vulnerability. I was persuaded the impact on their son would have been greater and more significant because of his vulnerability and I didn't doubt what Mr D and Miss S told us. In turn, I thought the distress and inconvenience to Mr D and Miss S would have been more significant. So, I thought a higher award for distress and inconvenience would be fair and reasonable. Given all the circumstances of the case, I thought £250 would be reasonable.

Because I came to a different conclusion to our investigator on the amount of compensation for distress and inconvenience that would be reasonable, I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

I'd first want to reassure Mr D and Miss S that I've considered very carefully what they've told us about their son and the nature of his vulnerability. I appreciate how the incident and the situation following the leak would have impacted on him. I also recognise the consequent impact this would have had on Mr D and Miss S. I've borne this in mind when deciding whether Fairmead have acted fairly towards Mr D and Miss S.

In considering the complaint, the key issue is how Fairmead (and B in their role assessing and handling the claim) have dealt with matters from the incident through to Mr D and Miss S's complaint to Fairmead. Mr D and Miss S are unhappy at the time taken to assess and settle the claim (which Fairmead confirmed they'd settled in their final response) and, specifically, the impact on them and their vulnerable son, sleeping on a mattress on the floor with damp and mould. They say their son's vulnerability meant his routine was significantly affected, causing him additional stress. Which in turn, significantly affected them.

I've considered carefully what Mr D and Miss S have said about how the claim was handled (by B in particular). I've also considered what Fairmead have said, including their apology

and acknowledgment that Mr D and Miss S received a less than desired level of service, and the evidence and information available, including their claim notes and B's case notes. Having done so, I think Fairmead need to do more to put things right. I'll set out why I've come to this conclusion, and what Fairmead need to do.

In coming to this conclusion, I've seen Fairmead's claim notes recording the customer (Mr D and Miss S) might be vulnerable, given indicators from the notes themselves. This suggests Fairmead should have been aware of this aspect, which I'd expect them to consider when dealing with the claim. However, I can't see any indication in Fairmead's claim notes or B's case notes (or other evidence) this was considered, or any specific action taken in response. And while they accepted the quote from one of the contractors this was only after Mr D and Miss S's complaint (and B's challenge to the quotes), some six weeks after Mr D and Miss S provided the quotes.

I've also considered Fairmead's actions in seeking to settle the claim based on quotes from Mr D and Miss S. As an approach, this is allowed for in the policy terms and conditions and is one of the options commonly used to settle claims. Fairmead's point that they were prioritising storm claims at the time (and that they would have found it difficult to appoint contractors to carry out the work within a reasonable timescale) isn't unreasonable. B's case notes indicate Mr D and Miss S were made aware of this and were asked to provide quotes.

Following clarification of what Fairmead expected from the quotes (at the start of January 2022) the evidence and information indicates no substantial action until Mr D and Miss S provided the two quotes at the beginning of April. Given Fairmead had asked for quotes (which I don't think unreasonable) and provided clarification on what they required, I can't hold them responsible for the time taken until they were provided with the two quotes.

Given these points, particularly the time between the quotes being provided and Fairmead settling the claim based on one of the quotes, I don't think an apology for their service not being to standard is sufficient to put things right. And while the quotes from Mr D and Miss S weren't provided until April 2022 (for which I can't hold Fairmead responsible) that it was subsequently accepted only after Mr D and Miss D complained indicates a delay in settling the claim for which Fairmead (including B as their agent) are responsible. So, I've concluded Mr D and Miss S did suffer distress and inconvenience that was, to this degree, avoidable.

I've also considered the impact on Mr D and Miss S, in particular the nature of their son's vulnerability. I'm persuaded the impact on their son would have been greater and more significant because of his vulnerability and I don't doubt what Mr D and Miss S have told us. In turn, I think the distress and inconvenience to Mr D and Miss S (which is what I consider) would have been greater and more significant. Given this, I think a higher award for distress and inconvenience would be fair and reasonable. Given all the circumstances of the case, I think £250 would be reasonable.

My provisional decision

For the reasons set out above, it's my provisional decision to uphold Mr D and Miss S's complaint. I intend to require Fairmead Insurance Limited to:

- *Pay Mr D and Miss S £250 in compensation for distress and inconvenience.*

Fairmead Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr D and Miss S accept my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Mr D and Miss S responded to say they understood the reasoning in the provisional decision but were disappointed. They didn't have written evidence to support things they'd been told by the original surveyor and subsequent appointed contractor from Fairmead regarding their ability to quote more quickly than their independent contractors. The reason for raising this issue was that in their view, it was the reason their son did not have a proper place in their home. So, in their opinion, the delay attributable to Fairmead began in December 2021.

Fairmead responded to say they had nothing further to add.

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.

My role here is to decide whether Fairmead have acted fairly towards Mr D and Miss S. I've considered the response from Mr D and Miss S. I recognise their view, but it doesn't change my conclusion that Fairmead acted reasonably in seeking to settle the claim based on quotes from contractors approached by Mr D and Miss S. And that Fairmead prioritising storm claims at the time (and so would have found it difficult to appoint contractors to carry out the work within a reasonable timescale) isn't unreasonable. So, while I understand Mr D and Miss S's view, I haven't changed my view that Fairmead aren't responsible for the time taken for Mr D and Miss S to provide quotes.

I've also thought about the second point Mr D and Miss S make, about their son not having a proper place in their home. I appreciate the difficult circumstances with their son, particularly given his vulnerability and the impact this would have on Mr D and Miss S. This was why my provisional decision came to a different view about what would be a fair and reasonable level of compensation for distress and inconvenience (that a higher sum was appropriate). I still feel that's fair and reasonable in the circumstances of the case.

My final decision

For the reasons set out above, it's my final decision to uphold Mr D and Miss S's complaint. I require Fairmead Insurance Limited to:

- Pay Mr D and Miss S £250 in compensation for distress and inconvenience.

Fairmead Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr D and Miss S accept my final decision. If they pay later than this they 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 Mr D and Miss S to accept or reject my decision before 26 May 2023.

Paul King
Ombudsman