

## **The complaint**

Miss G is unhappy with the way QIC Europe Limited handled her claim after her home was damaged by fire.

Miss G's loss assessor handled the claim on her behalf. For ease of reading, I'll refer only to Miss G throughout my decision, but any reference to her actions includes those of her loss assessor.

## **What happened**

Miss G had buildings and contents insurance underwritten by QIC. She suffered the loss of her home through fire damage and appointed a loss assessor (LA) to deal with her claim under the policy. QIC accepted the claim.

The details of the claim are well-known to all parties, so rather than repeat them here, I'll summarise Miss G's key issues of complaint. She complained that QIC:

- restricted Alternative Accommodation (AA) cover to 12 months;
- would only pay the fees for surveyors and architects it chose, but Miss G wanted to use her choice of professionals;
- said it would settle the claim based on diminishing value of the house, and
- didn't make a fair offer for the value of contents destroyed in the fire.

Our investigator didn't uphold Miss G's complaint. In summary, she said QIC had handled the claim in line with the terms of the policy, and its settlement offer was based on the information it had about contents.

Miss G didn't agree. She said QIC didn't respond to her complaint, and she didn't think it had taken her needs or specific circumstances into consideration when applying the policy limits to her claim.

## **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.

While I realise Miss G will be disappointed, I've decided not to uphold her complaint. I'll explain why.

I'm sorry to hear of the undoubtedly distressing experience Miss G had of losing her home to fire and the resulting concerns for her and her family's health. My role is to look at whether QIC handled the claim fairly and in line with the policy. To do that, I've looked at all the evidence and I'll comment only on that which I think helps to explain my decision. I should point out that my consideration is of QIC's actions and doesn't include any distress and inconvenience Miss G experienced as a direct result of the fire rather than QIC's handling of the claim.

### **Alternative Accommodation**

Miss G complains that QIC restricted her entitlement to AA to 12 months, but the nature of the damage means she'd need longer.

The policy schedule shows that Miss G had buildings insurance. It refers directly to the relevant section in the policy booklet for further information. Details of the AA cover available to Miss G are set out in the policy booklet, and QIC made the documents available to Miss G when she took out the policy. Therefore, I'm satisfied QIC provided enough information to make Miss G aware of the policy limits.

I understand QIC paid some of the AA allowance to Miss G while she was staying with friends and family. It paid based on its assessment of market rates for rental property that would've met Miss G's needs. Although she doesn't think it was enough, especially as her policy allowed for a greater amount, I haven't seen anything in the evidence to indicate that QIC's payment was unreasonable. The policy does allow for AA up to a greater amount, but that doesn't mean QIC must pay the maximum allowance if the cost for a 12-month period is less.

As the policy restricts AA to 12 months, I don't think QIC has done anything wrong by applying the time limit to Miss G's claim.

### **Architect and surveyor fees**

Miss G doesn't think it's fair for QIC to choose the professional services.

The policy provides cover for "*architects', surveyors', legal and engineers' fees which are necessary for us to rebuild your home*". It also says, "*We have the right to choose who does this work.*"

The wording explains that QIC would choose its own professional services to rebuild Miss G's home. I think that's fair given QIC would be responsible for anything which didn't go according to plan, or if a problem were to arise during repairs. If Miss G prefers to use her own contractors to repair her home rather than handing responsibility to QIC, it's fair that she'd want her own professionals to complete the work. However, I wouldn't expect QIC to pay more for this part of the service than it would pay if doing the work itself.

I understand Miss G would like QIC to cover the cost of her loss assessor. Turning again to the policy, it says:

*We don't cover:*

*a. any fees charged to help you prepare your claim;*

I think the wording is clear, so I see no reason to ask QIC to pay towards the loss assessor's costs.

As QIC's stance in respect of the fees is in line with the policy, I won't be asking QIC to do any more in respect of this issue.

### **Diminishing value**

Miss G was unhappy that QIC said it would settle the claim based on diminishing value of her home.

The policy allows QIC to make an offer based on diminishing value. However, it hasn't made that offer and instead offered the rebuild/repair costs based on its assessment of the work needed. So, while QIC considered a diminishing value offer, its actual offer was for the repair

costs. I don't think QIC did anything wrong by considering all options available to it under the policy for the claim settlement.

### **Contents**

Miss G doesn't think QIC made a fair offer to cover the cost of replacing her damaged contents.

The evidence shows that QIC commented on Miss G's low estimate of her contents value when she first bought her policy some years earlier. However, the level of cover under her policy was £75,000 and QIC offered a settlement in excess of her own estimate from several years earlier. Therefore, QIC hasn't used Miss G's estimate as evidence of underinsurance.

I understand Miss G thinks QIC's offer is too low for the contents she needs to replace, but I haven't seen any clear evidence to show where Miss G thinks the shortfall is. Therefore, I can't reasonably say QIC has made an unfair offer. If Miss G has more evidence to support her contents claim, she may wish to provide that directly to QIC for consideration.

### **Additional points**

Miss G raised some further issues which I'll comment on briefly. She says the communication by QIC had to be through a portal and its forensic investigator contacted her directly rather than her loss assessor. Miss G didn't think either approach was appropriate in the circumstances.

Although QIC's preferred method of contact may have been via its portal, it's clear from the evidence available that it also communicated directly with Miss G by email and via her loss assessor once it was given appropriate authorisation to do so.

I've thought about the loss assessor's comments after there was direct contact with Miss G about the forensic investigation. While I accept that the loss assessor may have considered it inappropriate, I can't see that it caused Miss G any significant loss. Therefore, I won't be asking QIC to do anything in respect of this point.

Finally, I've noted Miss G's concerns that her attention wasn't brought to some of the terms of the policy at the point of sale. For example, she says she wasn't told about the 12 month AA limit or that she couldn't choose her own professional. QIC is the underwriter of the policy and, therefore, responsible for the claim decision. But because it didn't sell the policy to Miss G, it's not responsible for any concerns she may have about the sale.

If Miss G remains concerned about the information she was given at the point of sale, she'd need to raise this with the company that sold her the policy in the first instance.

Overall, the evidence indicates that QIC handled Miss G's claim reasonably and in line with the policy terms and conditions. I appreciate that she experienced a significant loss, and there will naturally be delays and upset during a claim of this size, but I haven't seen anything to show QIC contributed significantly to the overall loss. Therefore, I'm not asking QIC to do any more in relation to Miss G's complaint.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold Miss G's complaint and I'm not making any requirements of QIC Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 3 August 2023.

Debra Vaughan  
**Ombudsman**