

The complaint

Mr and Mrs S complain that Avantia Insurance Limited trading as HomeProtect gave them incorrect information in connection with a claim they made on their buildings insurance policy.

What happened

Mr S has led the complaint with this Service so I've referred to him mainly throughout. References to Mr S and HomeProtect include respective representatives and agents.

The background to this complaint is well known to the parties, so I've provided a summary here.

- Mr S's property is insured under a buildings insurance policy issued by an insurer, which I'll refer to as "A". He purchased the policy through HomeProtect, an insurance intermediary.
- Mr S reported some cracks to his property and the insurer undertook an investigation which concluded the cause of the damage was as a result of the lack of a lateral restraint within the walls, apparently common within buildings the age of Mr S's. The claim was declined as this wasn't an insured peril.
- When Mr S received the renewal paperwork for the policy from HomeProtect, this detailed a claim and on further enquiry, HomeProtect said it was a claim for subsidence.
- Mr S decided not to renew his policy with HomeProtect but having tried to obtain quotes from various insurers, found he was unable to obtain cover elsewhere because of the apparent subsidence claim. He says he felt he had to stay with HomeProtect and accept the higher premium.
- Mr C complained to HomeProtect and ultimately raised a complaint with this Service. Our Investigator asked HomeProtect to provide its side of the story but despite chasing it, no information was received so the Investigator reached his findings based on what information he did have available.
- He concluded the claim recorded was actually for accidental damage not for subsidence, so HomeProtect had given incorrect information to Mr S when he'd phoned it to clarify things. This had caused Mr S distress and inconvenience and he said HomeProtect should pay £200 to recognise this impact.
- HomeProtect didn't respond to the findings so the complaint has come to me for an Ombudsman's 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.

- Our powers to consider complaints are set out in the Financial Services and Markets Act 2000 (FSMA) and in rules known as the Dispute Resolution rules (DISP) written by the Financial Services Authority (FCA) in accordance with the powers it derives from FSMA. These form part of the FCA handbook.

- DISP 3.5.9 explains

“The Ombudsman may...

(3) reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested...”

- Our Investigator requested HomeProtect’s file on 30 March 2023 but received no response. He chased it on 14 April 2023 and explained he would proceed on the basis of what he had if HomeProtect didn’t provide its file by the extended deadline.
- He still didn’t receive anything, so he issued his findings on 20 April 2023 and asked the parties to let him know if they accepted his recommendations. There was still no response from HomeProtect so, on 3 May 2023 he issued a further reminder to HomeProtect together with a copy of the findings but there was still no response.
- I’m satisfied HomeProtect has had ample opportunity and time to provide us with its side of the story – including its phone call with Mr S when it provided the information about how the claim was recorded. I see no reason to delay things any longer, so in accordance with the DISP rule I’ve detailed above, I’m proceeding with my decision on the basis of the evidence I have available.
- Mr S raised a separate complaint about A and during the investigation into that complaint, our Investigator found the claim had actually been recorded as accidental damage. But Mr S says when he clarified things with HomeProtect, it told him the claim was recorded as subsidence.
- This led to him disclosing a subsidence claim to a number of insurers when seeking alternative policies. He says he experienced distress when he found no other insurer was willing to provide cover because of this and I understand why this would be the case.
- He was also concerned about the impact of having to disclose a recorded subsidence claim when selling the property. I can see why this would have further added to the distress.
- For the reasons I’ve explained I’ve not been able to listen to his call with HomeProtect, but I find Mr S’s testimony persuasive. And in the absence of any evidence to the contrary, I think it’s more likely than not HomeProtect did provide Mr S with the incorrect information which led to him experiencing distress and inconvenience.
- And as a consequence, I’m upholding this complaint and directing HomeProtect to pay Mr S £200 in recognition of this.
- Because the claim had actually been recorded correctly, I’m satisfied HomeProtect’s error had no impact on the premium quoted at renewal.

My final decision

My final decision is that I uphold this complaint and direct Avantia Insurance Limited trading as HomeProtect to pay Mr and Mrs S £200 for the distress and inconvenience it caused them.

Avantia Insurance Limited trading as HomeProtect must pay the compensation within 28 days of the date on which we tell it Mr and Mrs S accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 7 July 2023.

Paul Phillips
Ombudsman