

The complaint

Mr M complains about how esure Insurance Limited (“esure”) handled a claim under his home insurance policy. When I mention esure I also mean its suppliers.

What happened

Mr M has a home insurance policy with esure covering his buildings and contents.

In July 2021 his home was damaged when water escaped from an upstairs pipe causing damage to the downstairs kitchen.

esure agreed to cover the damage caused by the water and it appointed a company who I’ll refer to as H to provide an initial response to Mr M.

The claim was to be settled in cash to Mr M, but he asked for H to continue with carrying out the works to repair his kitchen.

There was a series of delays in doing the work. Mr M complained to esure about these delays and it agreed to pay him £225 for his inconvenience.

As part of the works, H carried out some electrical work by replacing some sockets and lights in the kitchen which had been damaged by the water.

After the work was done, Mr M said that one of his kitchen appliances was “tripping” the fuses in his electrical system. H investigated why this was happening and found that the electrical system wasn’t compliant with current standards. As such, it condemned the circuit in the kitchen.

Mr M arranged for a third-party electrician to inspect it. They found a damaged cable behind one of the sockets, partially buried in cement, and reported that it could have been broken when H carried out the repairs.

esure said it wasn’t responsible for the state of the electrical system. The claim would cover the replacement of the sockets and lights, but not the replacement of the kitchen’s ring main which it said was already in a non-compliant state.

Mr M has since arranged and paid for the ring main to be replaced at a cost of £710.

Mr M wasn’t happy with esure’s response and brought his complaint to this service. He asks that esure pay for the repair to the electrical system and finishing works including grouting, a floor joining strip and a section of poor ceiling plasterwork. Esure has confirmed that these issues can be considered under this complaint.

Our investigator looked into the complaint and upheld it. She said she thought esure’s offer of £225 compensation was fair and reasonable. But she thought esure were responsible for the damage to the cable, so it should pay 50% of the cost of the remedial work to fit a new ring main, and the consequent repairs that would be needed to the walls. Part of Mr M’s claim was for a new carpet, the voucher for which had expired, so she also thought esure

should renew the voucher.

esure didn't agree with the view. Because it didn't agree, Mr M's complaint has been passed to me to make a final decision.

I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I'm minded to uphold Mr M's complaint in part, and I'll explain why because I'm intending to reach a different decision from our investigator.

I can see from the file that esure's initial response was delayed. esure and its suppliers have already acknowledged that their service wasn't good enough and paid Mr M £225 compensation.

I've looked into the reasons given by H for the delays which include examples of staff sickness and material shortage, but also because some of H's staff effectively walked off the site without explanation.

I can also see that some of the delay was caused by a problem with the kitchen tiles, which had been chosen by Mr M, and H agreed to remove and re-fit new ones he supplied. This involved a number of extra visits to resolve, which contributed to the delay.

esure also says it paid for damage to an appliance Mr M says it caused, although Mr M denied he'd received this money.

I've thought carefully about this and I think it's fair for both parties to share some responsibility for the delays which were caused by a range of factors. It seems to me that H's response was fair when there were problems with Mr M's selection of tiles.

Taking everything into account, I think the amount already offered by esure for Mr M's distress and inconvenience is fair and reasonable and in line with what this service would recommend.

Damage to the electrical system

I've read esure's description of the work done to Mr M's kitchen. In it, H describes the work needed to rectify the escape of water damage to the electrical system, which it says was limited to the sockets and lights.

It's my understanding that H wouldn't normally expect to test the electrical system beyond checking that the items it had replaced under the claim were fitted and functioning correctly. Mr M has arranged for an electrician to inspect system, who reported:

"During our repairs we found the ring to be broken due to a damaged cable we found buried under the cement which would have been impossible to find if new installation was not completed."

I think it's clear from this report that H wouldn't have understood that the ring main was damaged, because it wouldn't reasonably need to inspect the electrical system to this extent simply to replace the socket and lighting.

So I don't think it's reasonable to hold esure responsible for repairing or replacing the ring main. It seems clear to me that the electrical system in Mr M's house wasn't meeting the appropriate standards before the water damage happened, so the cost of rectifying it should

be Mr M's responsibility.

Mr M's electrician also commented on a damaged wire in one of the sockets:

"A wire was found to be damaged / cut. This was within the socket.

The cut could have been made when the recent repairs have been completed."

From the evidence I have, it seems to me that the socket was functional regardless of the cut wire otherwise I'd have seen more information about this in Mr M's electrician's report. From the evidence I have, it's likely that the socket was working, so I don't think esure need to do anything more.

Mr M has since reported that the wire was rectified when his electrician made the repairs he paid for.

Finishing the kitchen

I can see from the file that works weren't completed on Mr M's kitchen, because the electrical problems were discovered before esure had finished carrying out the works to rectify the original damage from the escape of water. It's my understanding that this means there is some work required to finish the kitchen such as grouting the tiles that H fitted under the claim.

Mr M engaged a third party electrician to replace the ring main and it's my understanding that this means some work would have been carried out in the kitchen to fit new cables, which typically might mean removing tiles and creating channels in the walls to run the new cables through.

I've said above that I don't think it's fair to ask esure to pay for the ring main to be replaced, so I also don't think it's fair to ask esure to pay for the rectification work to cover the new ring main.

But I do think esure should contribute the amount it would have paid to finish the previous work, such as grouting the tiles. esure said it costed this work at £33.12 inclusive of VAT.

I'm also aware there are other aspects of Mr M's complaint such as an expired carpet voucher; a joining strip connecting the flooring; and an area of poor finish to the ceiling plasterwork.

I asked esure about these and it replied that it would replace the expired carpet voucher.

esure also said the floor joining strip was on a step rather on the kitchen floor, and as such it wasn't part of the claim.

Mr M has provided a photo of the poor finish on the ceiling and he's explained how it happened, which was when H carried out a repair to fill a hole it had previously made to refit the ceiling lights. Having considered this, I think it's fair that esure arrange or pay for the work to be made good.

I asked esure to estimate a cost for this and it said the ceiling repair would be £596.83 including VAT. esure also said it had a lead-time of about eight weeks before it could find a contractor to carry out repairs.

I also asked Mr M to decide whether he wanted esure to carry out the repairs, or if he wanted to make those arrangements himself. He arranged for a quotation to carry out the

remaining works at a total cost of £1,407.80, but this included a price for replacing tiles.

Summary

I've thought carefully about this claim and the situation Mr M has been put in. I don't think esure's service has been good enough during the claim and Mr M has been dealing with a range of issues as a result.

But I also think there was an underlying issue with the electrical system in the kitchen which was found and identified as a result of the water leak, and I don't think it would be fair for esure to pay for rectifying this, which I don't think it could have reasonably been aware of.

I can see Mr M has arranged a quotation to fix the kitchen issues and I have said above that it seems to include replacing tiles, which I don't think would fall into the scope of this decision because esure has already replaced them and I can't reasonably hold it responsible for fixing the pre-existing issues with the electrical system.

Given the passage of time, I think it's necessary to move swiftly to a decision. I am issuing this decision provisionally because I think esure should settle Mr M's claim in cash so that he can make arrangements to have the repairs carried out. I've asked him to tell me what he'd prefer, but his answer wasn't definitive. But given that esure has said its lead time would be a minimum of eight weeks, I think the sensible option would be to agree a settlement.

I do think esure need to pay for the repairs to the ceiling and the grouting. I can see its total cost for those would be £629.95. Mr M's quotation includes the buying and fitting of tiles so his quotation is higher.

So I'd propose to settle Mr M's complaint by asking esure to pay Mr M for the works that need to be done that I think esure are reasonably responsible for under the claim. I think it's fair to say that Mr M might not be able to access the same rates and material costs that esure can, so I think it's reasonable to adjust esure's contribution. It's my thinking that a figure of £800 in total to fix the ceiling and grouting would be reasonable. Or Mr M can ask esure to fix the issues, but he should be aware of the likely lead-time.

Responses to my provisional decision

Both parties accepted my provisional 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.

Because both parties agreed with my provisional decision, my final decision and reasoning remains the same as in my provisional decision.

I'd ask that both parties liaise to bring this matter to a swift conclusion.

My final decision

It's my final decision that I uphold this complaint in part.

I direct esure Insurance Limited to:

- Pay Mr M £225 for his inconvenience caused by the claims delays. It's my

understanding that this may have been paid.

- Replace the expired and unused carpet voucher.
- Settle the remainder of the covered claim, which is grouting the tiles that were replaced from the escape of water claim, and the finishing work to the ceiling. Mr M can choose that esure carry out this work, or receive a payment of £800.00

esure Insurance Limited must pay the amount within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this, it must also pay interest on the amount 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 M to accept or reject my decision before 28 June 2023.

Richard Sowden
Ombudsman