

The complaint

Miss M complains about how Covea Insurance plc handled her claim on her home insurance following an escape of water.

What happened

Miss M had home insurance that was underwritten by Covea. In January 2021 there was an escape of water from her loft that caused extensive damage to her home. She made a claim on the insurance and Covea accepted it.

However the claim didn't run smoothly and repairs took far longer than expected. Miss M had cause to complain throughout the claim. In July 2022 the repairs were still outstanding and she made a further complaint. Her concerns in particular were:

- She had been staying out of the property in alternative accommodation which needed to be extended, but Covea wouldn't agree to pay for this past October 2022.
- Her contractor has said a building warrant was required for the removal and refitting of the stairs in her property, but Covea had said this was unnecessary and refused to pay for it.
- Her schedule of works had been costed at around £87,000 but Covea had only agreed to pay around £60,000.
- Covea had handled her claim poorly throughout which had caused delays and additional distress.

She made a complaint to Covea but it didn't respond within the required time scale so she brought it to this service. When Covea did respond to the complaint it didn't uphold it.

Our investigator considered the issues and recommended the complaint be upheld. She made the following recommendations:

- Covea should reimburse Miss M for the building warrant plus 8% simple interest to make up for the time she's been without the funds.
- It should cover the cost of alternative accommodation and storage up until the point Miss M moved back into her property.
- It should pay the total amount of the original scope of works that was approved at the start of the claim.
- It should cover any additional payments Miss M has had to pay as a result of having to obtain credit to pay for the required repairs and accommodation.
- It should pay an additional £500 compensation on top of any payments already made to apologise for the distress and inconvenience caused.

Miss M didn't think the compensation was enough, but accepted the rest of the outcome.

Covea didn't accept our investigator's outcome. It said from information it had found online, it didn't agree a building warrant was required for the removal of the stairs. It said the property was habitable from October, so it wouldn't be fair to ask it to pay for alternative accommodation or storage past this date. It also said that the amount it had paid for repairs represented its limit of liability so it wasn't required to pay any more. And it didn't agree further compensation was due as it said many of the delays to the claim were caused by Miss M.

As agreement hasn't been reached, the complaint has come to me to decide.

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.

It's of note that Miss M has made a number of complaints throughout the period of this claim, which Covea has responded to. Those that Covea responded to in May 2021 and March 2022, covered issues at the start of the claim. As Miss M brought her complaint to this service in October 2022, these complaints weren't brought within the required time frame. This means I can't make a decision on how Covea addressed the issues raised in either of these complaints directly in this decision.

However, the problems at the start of the claim have led to the position Miss M found herself in when she made her most recent complaint. And have had a big impact on the outstanding costs and issues that remain unresolved. I have therefore taken these into consideration, when deciding on her most recent concerns.

I've addressed each of the issues in this complaint in turn.

Delays – alternative accommodation and storage

- From looking at the ample correspondence and case notes from this claim, I think Covea has handled it poorly from the start. This was a large claim as the escape of water caused considerable damage to Miss M's home. However Covea didn't appoint a loss adjuster to oversee the repairs until March 2022 – more than a year into the repairs. Miss M has explained she's in her 70s and has little experience in managing buildings repairs. Yet she has had to do most of the leg work in sourcing contractors, getting quotes and overseeing repairs. And from reviewing everything, it seems, that most of the issues have stemmed from this.

Throughout Covea's file, it has said that it should have appointed a loss adjuster in the first instance. And I agree, this wasn't a fair or reasonable decision. I therefore think it follows that it is responsible for some of the delays and issues this decision has caused.

- Miss M was originally advised that the water damage could have caused rot in the timber frame of the building. However for many months Covea wouldn't agree to have a full inspection done. Once this was carried out it revealed that there was rot, so the property needed to be properly dried and sterilised. It is unclear why Covea initially declined to inspect the property for rot. But if it had done so straight away, this would have avoided around a five month delay in total.
- Covea has changed its position on whether the removal of the staircase was

necessary throughout the claim. It initially said this shouldn't be included as it wasn't claim related, then later accepted the cost as part of the claim. This contradictory and confusing information delayed the claim moving forward.

- Covea has said that Miss M caused the delays to the claim herself. However I don't think this is a fair assessment. Where there have been delays on her side this has either been due to difficulties in sourcing contractors due to the remote location of her property. Or the fact she was having to handle the project management of the claim with little support. Covea itself has said that it struggled to find contractors in the area, so I don't think it's fair to say that Miss M's difficulties in finding these caused an unreasonable delay. And finding and appointing contractors isn't something that Miss M was familiar with doing, so I don't think it unreasonable that it sometimes took her longer to obtain quotes or find a suitable expert.
- Due to this I think Covea has caused significant delays to the claim throughout. And this is why the work remained unfinished when Miss M made a complaint in 2022. I've seen nothing to suggest Miss M had requested to stay in alternative accommodation for an unreasonable amount of time – just until the work was completed. And while Covea has said the additional stay was due to private work she was having carried out, it's provided no evidence to show that this caused the need for any additional time out of the property.
- For these reasons I agree with our investigator that Covea should pay for the cost of the alternative accommodation and storage costs for the entire time Miss M was out of her home. It should also pay 8% simple interest on this amount to make up for the time Miss M has been without the funds.

Building warrant

While Covea has now accepted the removal of the staircase was necessary, it maintains that a building warrant wasn't required for this work to be completed. And therefore has refused to reimburse Miss M for this.

Miss M has said that she acted on advice from Covea's own contractor when obtaining a building warrant. And I see no reason why Miss M would have paid for this if she hadn't been given this advice.

Covea has said it has obtained information from an internet search engine that suggests a warrant wouldn't be required for this kind of work. However as Miss M was acting on the advice of an expert, I don't think it unreasonable that she took this action. And I am more persuaded by the advice of a surveyor than generic information found online.

I therefore agree with our investigator that Covea should reimburse Miss M for the building warrant and pay 8% simple interest on the amount from the date she paid for it until the full payment is made.

Repair cost

Miss M initially instructed a contractor to put together a scope of works for all the work that Covea approved. It wasn't until the work had been completed that Covea disputed this original scope and said that some wasn't claim related. However it hasn't provided any evidence to show why it believes work is in addition to necessary repairs. Or why its opinion on this changed.

As the original scope was compiled by an expert and Covea agreed to the scope in the early

stages of the claim, I think it should honour its initial agreement and settle the claim at the amount quoted on the initial scope of works. It should also make up for any shortfall in VAT based on the difference in cost. And it should pay 8% simple interest on any amount already paid from the date Miss M paid until the date Covea pays the settlement.

Impact

It's clear this has been a really challenging claim for Miss M. And as I laid out in the 'delays' section above, I think Covea has done a poor job of supporting her in resolving this complex claim.

Miss M has explained the impact it has had on her health and wellbeing, as well as her day to day life throughout the time it's been progressing. She's had to source different contractors on a number of occasions which was challenging and inconvenient. And she's had to be in constant contact with Covea in order to chase answers and move the claim forward. This has been both distressing and inconvenient for Miss M.

She's also been displaced from her home for much longer than she should have been due to the delays it caused. And this would have caused additional distress on top of an already stressful claim.

As Covea's considered the impact of the claim in its complaint response in May 2021 and March 2022 that weren't subsequently brought to this service on time, I can only consider the impact of the claim since March 2022. However I agree with our investigator that £500 is a fair amount to apologise for the impact of its actions during that time.

Credit obtained by Miss M

Finally, Miss M has provided this service with evidence that she has had to obtain and utilise credit in order to pay for the costs relating to this claim. Therefore it's fair and reasonable that Covea cover any fees or charges related to this credit when settling the claim, in receipt of the evidence from Miss M.

My final decision

For the reasons I've given, I uphold Miss M's complaint. I require Covea Insurance plc to:

- Reimburse Miss M for the full cost of the alternative accommodation and storage she's paid while out of her home.
- Reimburse Miss M for the cost of the building warrant she obtained in relation to the removal of the stairs.
- Pay the full amount from the original scope of works that was approved by Covea, including the VAT where applicable.
- Pay 8% simple interest on all amount reimbursed from the date Miss M originally paid for the services until Covea pays the final settlement.
- Pay any additional fees or charges accrued from credit obtained in order to pay for claim related costs.
- Pay £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept

or reject my decision before 13 September 2023.

Sophie Goodyear
Ombudsman