

## **The complaint**

Mrs O complained about how her claim was handled and she was unhappy with the cash settlement she was offered for repairing damage caused by a water leak in her home. Mrs O had a home insurance policy with QIC Europe Ltd ("QIC").

## **What happened**

Mrs O made a claim on her policy when water escaped from her bathroom and started leaking through the lounge ceiling. Mrs O said she had emergency home cover, but as she didn't receive a timely response she had to commission her own plumber to stop the leak by making a temporary repair, which cost £80.

QIC appointed a surveyor to review and validate the claim. Mrs O wouldn't allow technicians with drying equipment to enter her home to dry it. She wasn't happy with them entering her home with recording equipment (e.g., bodycams). Due to Mrs O's personal circumstances, she didn't want the inside of her home to be captured on a video recording. Mrs O was asked twice to pay her excess and she wasn't happy her emails weren't answered, so QIC offered £50 in compensation.

Initially, QIC said it would carry out any necessary work without the activity being recorded on video. But QIC's compliance team later said this wasn't possible. So, Mrs O felt obliged to source her own drying equipment, as the damp was causing damage in her home. As QIC wouldn't work without active video recording, it decided it would cash settle the claim for the cost it would incur had it done the work itself (i.e., at QIC commercial rates).

Mrs O is concerned the cash settlement won't be enough for her to source her own contractors. She is worried the bathroom will not be in service whilst the repairs are in progress and that she may incur storage costs for the protection of some of her possessions whilst the works are carried out.

Our investigator decided to uphold the claim. He thinks Mrs O has set out reasonably why she doesn't want video recording in her home. As QIC was reluctant not to use video cameras, he decided QIC should cash settle the claim on market rates, not based on QIC commercial rates. He also thought QIC should consider alternative accommodation and storage needs in the same way it would for any other claim. He thought QIC should reimburse the cost of the dehumidifiers sourced. He awarded an additional £250 compensation (£300 in total) for the distress and inconvenience caused by QIC delaying the claim.

QIC disagreed, so the case has been referred to an ombudsman.

## **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.

Mrs O asked for the cost of the temporary repair to her bath to be reimbursed as she

arranged for this work to be done. As QIC aren't responsible for repairing the leak under the policy, only remedying the damage caused by the leak, I won't be able to consider this point.

However, in respect to whether I think QIC has acted fairly and reasonably in relation to the points of this claim, I've decided to uphold this complaint and I'll explain why.

During the claim QIC said *"as you have refused to have any of [our appointed team] in your property due to them wearing body cameras, we have opted to cash settle the claim"*.

However, in more recent correspondence with our service, QIC have clarified that not all its appointed contractors need to wear bodycams, and the network contractors who would've carried out the scoped works don't wear them.

I can't see evidence that Mrs O was made aware of the availability of QIC's contractors to do the work when it made its cash offer. Therefore, I don't think the cash offer made to Mrs O was fair. I would've expected QIC to offer to do the work – if it had done this, I think it would've been fair to offer a cash settlement consistent with how much it would've cost itself to do the scope of works.

However, as QIC didn't make Mrs O aware it could do the works itself when making the offer, I think the cash offer should've been at market rates and not QIC commercial rates. I think Mrs O had reasonably set out why she didn't want video recording in her home in her circumstances. I think QIC could've been more flexible in meeting Mrs O's needs when settling the claim. Therefore, I uphold this complaint. QIC has since offered to do the work. Not surprisingly, Mrs O is reluctant to continue having a relationship with QIC after the recent difficulties. She has expressed her desire to have her own independent contractors to do the work. I think this is reasonable in the circumstances as I think Mrs O has already suffered enough.

Therefore, I require QIC to settle the claim in line with the remaining terms and conditions but based on the lowest quote Mrs O provides for her own contractors doing the agreed scope of works (she must provide a minimum of two quotes). Mrs O needs to provide this to QIC ahead of having the works completed.

Mrs O has expressed her concern that new damage may become apparent when the works commence that hasn't been included in the scope for the repairs. If this does occur, Mrs O should take detailed pictures of this damage and provide evidence of the costs associated with repairing it. She should then send this evidence to QIC and ask QIC to consider it.

Mrs O has expressed concerns of the living conditions and storage requirements when the work is carried out. QIC should consider these needs appropriately and apply the conditions set out in the policy, or alternatively provide a cash settlement to cover any of its potential liabilities.

Finally, I have considered the distress and inconvenience Mrs O has experienced. It's clear her circumstances made her vulnerable during the period of the claim. I think there is enough evidence during the claim, that QIC should've been aware of this. Whilst I think QIC has reasonably explained its processes, it hasn't been clear in communicating the options open to Mrs O in the settlement of the claim. I think after been aware of the difficulties with drying the property, QIC could've cash settled that element of the claim for what it would've cost itself. As it didn't I think it should reimburse Mrs O the costs she's incurred for sourcing the drying equipment (on production of valid receipts).

I think QIC could've managed the drying of the property and the settlement better. By not doing this has caused delays to Mrs O getting her property repaired, which has left her living in less than satisfactory conditions for longer than necessary. I think her vulnerable

circumstances will have made the stress she was under more severe. Therefore, I'm awarding £250 additional compensation (£300 in total). This award includes any additional electricity costs incurred in the drying of her property.

### **My final decision**

My final decision is that I uphold this complaint. I require QIC Europe Ltd to:

- Settle the claim based on the lowest of two quotes that Mrs O provides for the agreed scope of works
- Consider any further repairs (in line with the terms and conditions) that Mrs O identifies during the works provided she shares detailed photographic evidence and costings
- Consider any requirement (in line with the terms and conditions) for alternative accommodation or additional storage whilst the works are carried out
- Reimburse the cost of the drying equipment (on production of valid receipts)
- Pay Mrs O £250 additional compensation – for distress and inconvenience (plus the original £50 offer if it hasn't been paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 16 August 2023.

Pete Averill  
**Ombudsman**