

The complaint

Ms C has complained about her home insurer esure Insurance Limited (Esure) regarding a claim she made when there was a fire at her home.

Esure has used various agents during the course of this claim. Including loss adjusters. Esure is responsible for the agents. I may refer to Esure when it was its agent completing the relevant activity or correspondence.

What happened

Ms C was at home during the day on 21 January 2022 when a smoke alarm went off in her property and Ms C noticed smoke coming from a ground floor bedroom. The fire brigade were called, Ms C and her dog went to stay with family. She later moved into a hotel and Esure agreed to pay £30.00 a day as a disturbance allowance (for extra costs of living away from home). Ms C did not move back home until October 2022.

The claim progressed following notification to Esure, and then its loss adjuster, in January 2022, with contents items being cleared out and listed. But Ms C said she wanted to appoint her own contractors for the building reinstatement work. Esure compiled a scope and told Ms C on 4 May 2022 that the cost for reinstatement would be £49,633.64 plus VAT with VAT being paid upon receipt of a VAT invoice. Ms C challenged the price and extent of work. The scope and price were amended, on 27 May 2022 Esure told Ms C the total it would pay for work was £53,050.66 (plus VAT). In June 2022 Esure said it would make an interim payment to Ms C of £34,000 which was the cost associated with 'dirty' work in the fire damaged bedroom and electrical repairs – where once this work was done Ms C would be able to move home. Several items remained in dispute and it's not clear whether any further payment was made against the buildings claim.

In the meantime the contents claim continued, with Esure trying to get full details from Ms C as to the likely replacement cost of damaged items. Some interim payments were made. On 7 September 2022 Esure said validation was near complete and it should be able to make final payments soon.

When Ms C moved home she had no heating or hot water. Esure had looked at her boiler in around June 2022. Engineers got it to work and then left, it worked for about half an hour then stopped. Ms C appointed a plumber when she returned home, he found a pipe had been damaged during the fire. This was fixed on 2 November 2022. Esure subsequently paid the cost of the necessary repair.

Esure addressed some of Ms C's concerns whilst the claim was progressing but, unhappy with the extent of its replies, Ms C complained to the Financial Ombudsman Service. And she updated us as time went on about what had happened – such as the heating issues when she returned home. Esure said it was happy for us to look at all Ms C's concerns as part of this complaint rather than requiring a further complaint to be raised.

Our Investigator felt Esure needed to agree to pay a number of things and review others. She felt £350 compensation should be paid. Esure said most of the payments and reviews

recommended had already been agreed by it, but it was mostly waiting on information from Ms C. It said that it had gone to quite a lot of expense during the claim to appease Ms C – such as by paying £30 per day as a disturbance allowance, so it didn't think it was fair to ask it to pay compensation for upset it had caused. The complaint was passed to me for an Ombudsman's consideration.

I felt it should be upheld. But the redress which I felt was required differed to that recommended by our Investigator. So I issued a provisional decision to explain my views on the complaint to both parties. My provisional findings were:

“My background above is brief. But I can assure both parties that I am aware of everything which has gone on. With there being quite a number of points in dispute, where necessary I'll provide further explanations of relevant events within my findings.

Building items in dispute

Upstairs fitted wardrobes – Esure has refused to cover the cost of these but Ms C feels these were damaged by smoke. Whilst I understand Ms C's concern, Esure has had expert advice from its surveyor that the staining is age/wear related, not due to the fire. Its decline of these items, in my view, is fair and reasonable.

Cracks in hallway – Esure has refused to include the cost for repairing the hallway wall and coving, Ms C says Esure's restoration company told her soot had made the cracks worse. I see from Esure's file that the restoration company did note that during its three weeks working in the property, the cracks had got worse. But Esure's surveyor doesn't agree these have been caused or affected by the fire. It's not unreasonable for Esure to rely on its surveyor's view – it carries greater weight than the restoration company's. Its decline of liability for the cost of reinstating this area under the fire claim, in my view, is fair and reasonable.

Groundfloor bathroom tiling – Esure says that tiling does not need replacing. Ms C says there will likely be some damage when the sink is replaced. My view is that any contractor completing work will have to try not to cause damage but if they suspect it will be unavoidable or if some does occur then Esure can be asked to review to see whether it can settle for damaged tiling.

Broken window – This was still broken when Ms C returned home, Esure sent a repair contractor out. Ms C reports that the contractor insisted she stay with him at the property into the early hours to complete the job. I'm not persuaded I can blame Esure for any upset Ms C was caused here. It seems unusual to me for a contractor to insist on something like this and I wasn't party to the conversation which took place. So I can't be sure an unreasonable request was made by Esure's contractor.

Lounge redecoration – Esure has agreed that this was missed from its scope. It should consider its cost for that work without delay and make a payment to Ms C.

Blinds – Esure said these were contents, it received quotes for them and added them to the contents spreadsheet, but it then agreed they could be dealt with as buildings items. The loss adjuster dealing with matters changed and seemingly the agreement to deal on the basis of a buildings item was overlooked by the replacement. Between October 2022 and January 2023 Ms C sent proof of the agreement to the new adjuster and the new adjuster then disputed the detail on the quote for the blinds, suggesting they were not like for like. Ms C told us that Esure had declined to cover the cost of the blinds and Esure said that wasn't the case – it was waiting on further detail from Ms C to agree a price. My view is that it's too late now for Esure to challenge Ms C on the detail and price of the blind quote – it was accepted at the time Esure agreed to settle the blinds as part of the buildings items. It should now just pay the quoted sum initially added to the contents spreadsheet, adding interest from the date of the quote until settlement is made.*

Glass sink – Esure said it would pay Ms C £246 for this. It later said this was just for the sink itself including taps and accessories, not cost of fitting. It said it hadn't a specific replacement in mind, Ms C could just see what she liked. Ms C though said she couldn't find anything for that price. I note that Esure has since agreed it will consider evidence from Ms C as to her cost to replace this item. I'm pleased that has been agreed, but I can understand Ms C's frustration that she was being expected to replace an item at a cost which Esure had not evidenced was reasonable. I haven't seen proof from Ms C, either to us or Esure, as to the likely cost. She should provide this so it can be considered. And the scope I've seen showing this cost does not suggest a price has been included within the overall settlement for fitting the sink. Unless Esure can satisfy me this has been paid, I'll make an award directing it to pay fitting costs too (what it would have cost it to fit the sink).

Conservatory floor tiles – Esure allowed £25 per square metre for these, Mrs C says a sum of £49 per square meter would be fairer. Esure has said that if Ms C can provide it a quote, it will consider it. I think that's fair and reasonable.

Wallpaper downstairs bedroom – Esure allowed £22 per roll. Ms C said a named, quality brand of wallpaper had been in place before, which would cost £125 per roll to replace. Esure said if Ms C can provide it a quote, it will consider it. I think that's fair and reasonable.

Rest of missing items – Ms C told Esure on 12 September 2022 of items, mostly with related costs, missing from its scope (wallpaper and hallway lights dealt with above). I think Esure should consider its liability for these items and costs. I've list them here:

- *Floorboards removed by fire brigade – no price given*
- *A ten-foot curtain pelmet track – £58.99*
- *Two fitted/plumbed plinth heaters – total £1,593.80*
- *Seven light fixtures (ground floor bedroom) – total £485.00*
- *Bespoke door – no price given*
- *Window seat – estimate required*
- *Two fans in conservatory – no price given*

Boiler/heating and hot water – seemingly this repair has been done and reimbursed by Esure. But Esure says that it isn't responsible for Ms C having returned home to a house without heating and hot water. It says it made sure the boiler was running and it wasn't up to its engineers to stick around to make sure it continued to work and it was then up to Ms C if she wanted to show there was a problem on account of the fire. I don't think that is in any way reasonable. Certainly not when it's since become clear that the cause of the problem was a pipe damaged by the fire. Esure should have arranged to return and reassess before Ms C moved home – that would have reasonably avoided her living in her home for around a month in late autumn with no heating or hot water. I'll take that into account when awarding compensation for distress and inconvenience.

Buildings settlement

In my view, given Ms C asked to use her own contractors, it was reasonable for Esure to look at making a cash settlement to her based on its cost to do the work. But it's also my view that it unreasonably delayed settling this claim. It knew quite early on that Ms C wanted to use her own contractor. It told her on 4 May 2022 what it thought its limit of loss would be. But it made no payment to Ms C for the work until late June 2022. By that time/then it had revised its initial costs upwards from £49,633.64 to £53,050.66 (both excluding VAT), and yet still only a partial settlement was made. My view is that once Esure established its limit of loss, knowing Ms C wanted to use her own contractor (and there was never any question about that – this was not a situation where the policyholder was considering cash versus the insurer doing the work), that sum should have been paid to her. With VAT, as Esure reasonably said, to be paid later. Esure should now make additional payments to Ms C of interest to account for the delayed payment – I've set that out in my section below "Putting things right".*

Contents items in dispute

*Outstanding contents – There is a fair amount of history to the dispute over these items. However, I think it's fair to say that further restoration of carpets at least is required. And Esure has agreed to consider that. But it's noted that the sum insured for contents – £43,900 – has nearly been exhausted. It says there's only £2,156.14 left. It's proposed paying that in final settlement of the contents claim. I think that is fair and reasonable in the circumstances. But I think it's known the limit was likely to be breached since early July 2022, with the cost of high-risk items then confirmed in late August – all whilst knowing the carpets needed reviewing. So I propose it pays that sum plus interest * from 31 August 2022 until settlement is made.*

Hallway light fixtures – Esure has agreed to consider these, but it told us that would be part of the contents claim and so subject to the contents sum insured being reached. I'm not persuaded that is fair and reasonable. A lamp shade or similar might well be viewed as a contents item, But I understand these were wall mounted light and a light fixture in the hall. They are more reasonably viewed as buildings items. And I see that Esure even acknowledges that in its file. Esure should look to cover the cost of replacing light fixtures in the hallway under the buildings claim, if it needs detail of costs from Ms C, she should provide those.

Claim handling and delay

It's clear to me the claim did take quite a while to reach a point where Ms C moved home. I've also been critical of Esure not paying the full buildings settlement at an earlier point. But I bear in mind that even once its substantial interim payment was made in June, Ms C was still not ready to return home, with the work that sum was paid for having just been done, until October 2022. So whilst I think its partial payment was likely a cause for frustration for Ms C, I don't think it really affected the course of the claim.

I do see though that the loss adjuster did not always reply to Ms C very quickly – and I think some of his contact, at times, was a little unfair. For example, after the limit of loss for buildings had been initially set by Esure but not paid to Ms C, the adjuster said he would not extend Ms C's accommodation arrangements unless she told him how she wanted the claim to progress. I think Esure did need to try and manage the accommodation arrangements. But I don't think this was a reasonable way to do it. And other issues of frustration occurred too, such as with the blinds as I've described above.

I bear in mind, as I said above, that Ms C returned home to a house with no heating and hot water.

On this occasion I do think £350 compensation is fairly and reasonably due. In saying that I bear in mind that whilst Ms C did remain in a hotel throughout, which is usually only suitable for short term accommodation needs, it was her choice to stay there and one which Esure mostly did not really challenge her on.

I see that Esure thinks that it letting Ms C stay in the hotel (as it suited her needs), along with paying her £30 a day disturbance allowance and settling the blinds as buildings items – should all be taken into account as it ‘going the extra mile’ to settle things, such that upset caused by any of its failures should be offset. I’m not persuaded that is fair. The ‘good deeds’ detailed were not offered to Ms C as compensation for wrong-doing. Rather they were claim negotiations which Esure felt were reasonable and agreed to. I’d add that, in this case, the blinds (and light fixtures) are reasonably considered to be buildings items anyway.”

Esure said it didn’t agree with the decision. It noted that Ms C still hasn’t quantified some items – that it won’t pay interest on items that have not been quantified. Esure said that, by and large though, it wouldn’t respond in detail to what I’d said – with the exception of the boiler issue. It feels I’ve been harsh in this respect, expecting a fix on the first occasion whereas other decisions issued by this service acknowledge that finding a fault with a boiler is often a process of elimination. Esure also felt I’d expected its engineer to wait for an unreasonable period to make sure the boiler stayed fixed – which Esure felt was unreasonable. Esure said it doesn’t think its heating engineer was wrong.

Ms C indicated she was generally happy with the provisional decision. But she said there were a couple of repairs issues not covered (which were part of the items ‘overlooked’ by Esure and missed off its schedule of works). Ms C said that she’s confirmed with Esure’s loss adjuster that all necessary information has been provided. She said she wanted a time limit to be given which Esure would have to comply by.

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.

I note Esure does not agree with my decision. Regarding quantification and interest Esure will see from my bulleted list of awards that where I am directing it to consider payments for items, I have not included a requirement for it to pay interest. Where I have required interest to be paid, if Ms C accepts my decision within the deadline set, my findings will become binding on Esure. I won’t set a deadline by which Esure will have to execute the redress – that’s not a reasonable thing to do when I’ve noted that Esure may feel Ms C needs to provide further detail. I note Ms C says she has confirmed with Esure that she has provided everything – but I’ve seen no confirmation or acceptance of that from Esure.

I’ve reviewed what I said about the boiler. I did not say this fault should have been found on the first occasion or that the engineer should have waited at the property. Rather I found that Esure had time before Ms C moved home to respond reasonably to her concerns that the boiler wasn’t working but it didn’t do that causing her to return to an uninhabitable home.

Regarding items missing from Esure’s schedule; Ms C had told Esure she felt things were missing and Esure asked her to tell it specifically which items. Ms C did so in an email dated 12 September 2022. It is the content of that email on which I based my provisional findings entitled “rest of missing items”. Ms C has now detailed four items which she says constitute the items missing from Esure’s schedule, that it has overlooked. But only one of those was included in the 12 September 2022 email and listed by me in my relevant provisional findings – the missing fan, one of two, in the conservatory. The other three weren’t listed by Ms C in September 2022 as having been overlooked by Esure – and in considering what Ms C has

said about these three items it seems to me she is debating the extent of the work detailed in the schedule in respect of them, rather than saying items are missing/haven't been considered at all. I haven't seen that she has addressed these items with Esure – and so I can't comment on them to conclude, for example, whether Esure should replace all of the skirting board in the room, or if one metre only is reasonable. So for the three items listed here, I'm not making any finding in this decision as to whether or not Esure reasonably needs to revise its schedule. The three items are (numbering provided by Ms C, advised as relating to Esure's schedule):

- 13) the window needs painting internally and externally, there's no labour costs showing.
- 21) one metre of skirting board is shown, but it needs replacing around the whole room.
- 40) stained glass on internal door, this needs sympathetic, matching, expert restoration.

Having reviewed the complaint, in light of the parties' responses, I find I'm satisfied by my provisional findings – in my view they're fair and reasonable in the circumstances of this complaint. As such my provisional findings, along with my other comments above here, are the findings on this my final decision.

Putting things right

I require Esure to:

- Consider its cost for redecorating the lounge (missed off the scope) and make a payment to Ms C.
- Under the buildings claim, pay the quoted sum for blinds, agreed when it was entered on to the contents spreadsheet, plus interest* applied from the date of the quote until settlement is made.
- Consider Ms C's evidence, once provided, for the cost to replace the glass sink, if it's accepted this cost is more than the £246.00 allowed as part of the larger buildings settlement, pay the difference outstanding.
- Unless already accounted for in the larger buildings settlement, consider its cost for fitting the sink and pay Ms C.
- Consider any evidence provided by Ms C regarding replacement floor tiles in the conservatory, making an additional payment if appropriate.
- Consider any evidence provided by Ms C regarding replacement wallpaper, making an additional payment if appropriate.
- Consider its liability for the 'missing items' listed above, Ms C may need to provide further evidence, making an additional payment if appropriate.
- Pay Ms C a sum equivalent to interest* applied to the sum of £43,663.64 from 4 May 2022 until the date in June when £34,000 was paid to Ms C.
- Pay Ms C a sum equivalent to interest* applied to the sum of £19,050.66 (being the increased settlement sum of £53,050.66 less the interim settlement of £34,000) from the date in June when £34,000 was paid to Ms C until the remaining part of the settlement sum of £53,050.66 is/was settled.
- Pay Ms C £2,156.14, plus interest* applied from 31 August 2022 until settlement is made.
- Consider the cost of replacing the hallway light fixtures, under the buildings claim, making any further payment due to Ms C.
- Pay £350 compensation for upset.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Esure to take off tax from this interest. If asked, it must give Ms C a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require esure Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 25 July 2023.

Fiona Robinson
Ombudsman