

The complaint

Mr A and Ms C complain about QIC Europe Ltd's handling of their home insurance claim.

Mr A and Ms C are joint policy holders. As most of the communication relating to the complaint has been from Ms C, I'll refer mainly to her in my decision.

QIC is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As QIC has accepted it is accountable for the actions of the agents, in my decision, any reference to QIC includes the actions of the agents.

What happened

In August 2022, Ms C and Mr A made an escape of water claim under their home insurance policy with QIC. A burst valve caused extensive water damage to the ceiling and rooms in the downstairs of their house. Ms C and Mr A were away on holiday at the time, so Ms C's mother-in-law dealt with the claims management company QIC instructed to deal with the claim.

In November 2022, Ms C raised several concerns with QIC about the handling of the claim. She said her mother-in-law, who has mobility issues, had to move furniture and items from the ground floor to the first floor when QIC's agents were first on the premises. There was poor communication and a number of missed appointments which meant Ms C's mother-in-law was left waiting for hours in the property with no one attending.

Ms C said there was a lack of support with accommodation. Ms C and her family spent two weeks staying with relatives before booking alternative accommodation herself and submitting the invoice in the hope it would be paid. There was also an issue with QIC approving payment for a second rental property. QIC had failed to disclose the surveyor's report, which meant they didn't know how long to book alternative accommodation for.

Ms C said there had been an unreasonable delay in removing plaster from a wall, which delayed it drying and repair work commencing. She also raised concerns about incorrect and inconsistent information about testing of appliances. And she said there was further damage to contents because QIC's agents didn't use dust sheets when removing plaster.

QIC apologised for multiple missed appointments by its agents and offered her £100 compensation for this. It said items on the ground floor were cleaned a couple of weeks after Ms C raised her complaint and there were no further damaged items. The alternative accommodation had been extended as it was still waiting for the contractor to confirm the start date.

Ms C didn't think QIC had fully addressed the issues she'd raised, and its offer of compensation was too low. So, she asked our service to consider her concerns.

Our investigator felt QIC's handling of the claim could have been better. She recommended it pay Ms C another £250 in addition to the £100 it had already offered. She also made some recommendations about dealing with electrical items and alternative accommodation and providing the scope of works to Ms C and Mr A.

QIC agreed with our investigator's outcome and recommendation of compensation for distress and inconvenience. It said it was already doing and would continue to do the other actions our investigator had recommended.

Ms C didn't accept our investigator's outcome and asked for the matter to be reviewed by an ombudsman. She made some further comments regarding QIC delaying paying for alternative accommodation and the impact this was having on the family's finances. She said a few hundred pounds compensation didn't reflect the distress caused. So, the complaint has been passed 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

To be clear, I've only considered events complained of that occurred prior to QIC's response to Ms C's complaint on 1 January 2023. I'm aware that Ms C has raised concerns about events that have occurred after that date. If she would like our service to consider these, she would need to bring them to us as a separate complaint.

I've considered everything Ms C has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Ms C I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Some of the concerns Ms C raised in the complaint she brought to our service were to do with the impact of QIC's actions on her mother-in-law. Ms C's mother-in-law isn't a policy holder or beneficiary of Ms C's insurance policy, so she isn't an eligible complainant according to the rules our service is required to follow. So, I haven't been able to consider any distress or inconvenience Ms C's mother-in-law might have experienced.

Alternative accommodation

The policy terms say:

"We will pay up to £100,000 for:

- a. the reasonable and necessary costs for alternative accommodation for you and your family; and*
- b. any rent which you may have to pay;*

If you cannot stay in your home because your home has become unfit for living in following loss or damage that is insured by this section.

How much we will pay for alternative accommodation will depend on your family's needs and you must agree the costs with us before you pay."

Ms C has complained about a lack of support with arranging alternative accommodation as well as delays in reimbursing her for costs.

QIC says it doesn't believe there were any delays in arranging alternative accommodation as the claim needed to be validated first.

I can see that QIC's case handler emailed Ms C a couple of days before she and her family returned from holiday and asked her to call him to discuss next steps and alternative accommodation. When Ms C returned to the UK on the Saturday, she raised concerns that she wasn't able to speak to anyone about accommodation until the Wednesday. A few days later she told QIC she'd booked accommodation and was advised to upload the receipt for review.

I don't have detailed notes to tell me what Ms C might have been told on the day she returned to the UK. However, QIC had attempted to contact Ms C about alternative accommodation prior to her returning home and appears to have approved the accommodation she found a few days later. So, I'm not persuaded that QIC did anything wrong here.

However, I can see from QIC's contact history that Ms C needed to contact it several times about approving further accommodation. Ms C was concerned that she might not be able to find somewhere else if accommodation wasn't approved. This was particularly distressing as she needed to consider the needs of her young child.

Ms C also had to chase QIC several times to reimburse her for rental fees. She's told us that they've needed to use savings which were set aside for something else.

As explained, in this decision I can only consider the events that occurred prior to 1 January 2023. So, I've considered the impact of issues with communication regarding the alternative accommodation and delays in reimbursing fees up to that date as part of an award for distress and inconvenience.

Drying of wall

Ms C says there was an unreasonable delay in removing plaster from an internal wall which delayed drying of the property and commencement of repairs. She says she obtained an independent survey which confirmed the plaster should have been removed straight away.

QIC says the internal wall (between the kitchen and living room) was originally an external wall. High salt levels were present in the wall indicating external moisture, which in turn indicated some potential damp issues. It says this would have caused the wall to dry at a slightly slower rate, but it doesn't feel responsible for this as there was an underlying issue.

I can see that QIC carried out an initial visit a few days after the incident (in August 2022) and recorded a moisture reading of 36% on the wall. When it visited again around five weeks later, the moisture readings had increased significantly and QIC noted that a salt test was required for the wall.

QIC's visit report from October 2022, has an action to remove plaster. From what I can see, the plaster was removed a few weeks later. And the report from November 2022 shows moisture readings on the wall that are lower than those recorded in August 2022.

The surveyor instructed by Ms C inspected the property in February 2023 and noted:

"The wall between the kitchen and the living room which has now been exposed to the original brick is still wet and high moisture meter readings were obtained to all sections of both sides of the wall. If the original plastered surface of the wall had been removed sooner

then that would have sped up the drying process. The wall will clearly need to be completely dry before any further works are commenced”.

However, Ms C’s surveyor also noted signs of rising damp. QIC’s report dated February 2023 shows the moisture readings had increased from what they were in November 2022. And its report dated March 2023, refers to pre-existing salts present in the wall.

I appreciate Ms C believes QIC should have arranged for the plaster to be removed straight away. However, I’m not persuaded that it was unreasonable for QIC to have left the plaster on the wall initially. There does appear to have been a short delay in removing it once it had made the decision to do so. However, it’s difficult to determine how much that might have delayed the commencement of repairs, particularly as the information suggests a fluctuation in moisture levels due to a pre-existing condition.

Damage to appliances

Ms C says QIC should replace all of the kitchen appliances as they were brand new and aren’t fine to use.

The contents section of the policy’s terms and conditions says:

“We can choose to settle your claim by:

- a. repairing or reinstating the item; or*
- b. replacing the item as new; or*
- c. paying you the cash equivalent.*

Where possible, we will repair your item...”

I appreciate Ms C’s surveyor recommended appliances be replaced. However, he hasn’t said specifically why. I don’t think it’s unreasonable for QIC to repair the items, rather than replace them if it’s able to, given what it says in the terms and conditions.

The information from QIC shows PAT tests were carried out on various appliances (aside from the cooker) in October 2022 and they all passed. However, I understand items were affected by dust because they weren’t covered when the plaster was taken off the wall. QIC said it had arranged for the items to be cleaned. But Ms C told us her tumble dryer wasn’t working and the toaster was full of dust and debris so couldn’t be used.

QIC has agreed to our investigator’s recommendation that it re-PAT test items to make sure the removal of plaster didn’t cause further damage and ensure all items are clean enough to be used. So, I think it should arrange for the further PAT testing and cleaning if it hasn’t already done so. If the items are not working or in a usable condition after this, QIC should either repair, replace them or pay Mr A and Ms C a cash settlement in line with the policy’s terms and conditions.

Scope of works

Ms C has also complained that QIC didn’t provide her with a report so she could see what work was to be undertaken. QIC accepted our investigator’s recommendation to provide the scope to Ms C and Mr A as soon as possible. So, it should provide this to them if it hasn’t already done so.

In conclusion

I understand that this has been a very distressing time for Ms C and her family who have needed to move out of their home for a long period of time. I think QIC's communication with Ms C could have been better on occasion. She appears to have been caused some avoidable frustration and inconvenience as she's needed to chase for approval of accommodation and reimbursement of costs.

There also appears to have been a short delay in removing plaster from the wall after QIC decided to do this. I'm unable to tell how much this might have delayed drying being completed, if at all. However, I think the delay is likely to have added to Ms C's frustration.

It was also upsetting for Ms C when QIC didn't initially agree to re-PAT test the appliances. When she asked for an ombudsman's decision, Ms C said she hadn't received payment for rent paid in April and June 2023. However, as explained, this isn't something I'm able to consider as part of this complaint.

I've thought carefully about the impact of issues relating to QIC's handling of the claim up until 1 January 2023 on Ms C and Mr A. And I think a total of £350 is reasonable compensation for distress and inconvenience. This amount includes the £100 QIC offered Ms C on 1 January 2023.

Putting things right

QIC should:

- Pay Mr A and Ms C £350 for distress and inconvenience.
- PAT test the electrical items to make sure the removal of plaster didn't cause further damage, if it hasn't already done so. If items fail the PAT test, QIC will need to take further action to settle this part of the claim in line with the policy's terms and conditions.
- Ensure all items are clean enough to be used – this could be by arranging cleaning, replacing items or cash settlement in line with the policy's terms and conditions.
- Provide the scope of work to Mr A and Ms C, if it has not already done so.

My final decision

For the reasons I've explained, I uphold Mr A and Ms C's complaint and direct QIC Europe Ltd to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Ms C to accept or reject my decision before 19 September 2023.

Anne Muscroft

Ombudsman