

The complaint

Mr M and Mrs M complain about Great Lakes Insurance SE's (Great Lakes) handling of an escape of water claim on their home insurance policy.

Any reference to Mr M and Mrs M or Great Lakes includes respective agents or representatives.

What happened

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

- Following damage caused by an escape of water, Mr M and Mrs M made a claim on their policy in December 2022.
- In February 2023 Great Lakes declined the claim as it said the property was unoccupied against the policy terms.
- Mr M and Mrs M provided evidence to dispute the unoccupancy and in March 2023, they raised a complaint.
- Great Lakes issued a final response letter. In April 2023 it apologised for poor communication and explained it was still trying to validate the claim.
- Great Lakes has since accepted liability on the claim, and it issued a further final response letter dated 23 May 2023 reviewing Mr M and Mrs M's concerns over delays and lack of communication on the claim.
- Great Lakes agreed Mr M and Mrs M were promised contact which couldn't be guaranteed. However, it said the delays were due to the enquiries it deemed necessary to validate the claim.
- Our Investigator upheld the complaint and recommended £200 compensation be paid for the delays and the way the claim was handled.
- Mr M and Mrs M don't accept that the compensation amount is fair. They say Great Lakes did not act with due diligence. Had it obtained the call when Mr M had inceptioned the policy the claim would've been dealt with in a timelier fashion. They have also incurred more costs as they appointed a loss assessor to handle the claim.
- So, the complaint has been passed to me, an Ombudsman to make a final 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.

Having done so, I'm upholding this complaint.

I can see there was a delay in getting an initial appointment for the loss adjuster to attend the property to assess the damage. And this had to be chased by Mr M and Mrs M on several occasions before it went ahead on 31 January 2023.

The claim was then declined mid-February. It wasn't until March 2023 that Great Lakes asked for further information about the occupancy of the home and the declarations made, and I consider this should've been reviewed before issuing its claim decision. Great Lakes has since overturned its decision and the claim has been accepted. Great Lakes have accepted that its customer service was poor in this period, and I agree it didn't keep to its promises of call backs and didn't respond to correspondence as I'd have expected it to have done.

In April 2023 Mr M and Mrs M made a further complaint about the progress of the claim and continuing lack of communication on the claim.

Having reviewed the contact since the previous complaint I can see that Great Lakes did acknowledge the communication within its set timeframes. However, I acknowledge it didn't keep to a promise of a call back in May 2023.

I understand Mr M and Mrs M's concerns about how long it took Great Lakes to accept liability, but it is reasonable that the underwriters of a policy have time to review the information and ask any questions to validate the claim as per the policy terms and conditions.

Mr M and Mrs M were entitled to appoint a loss assessor to handle the claim on their behalf. But I don't usually require insurers to refund the cost of any professional representation or advice a consumer has received. This is because I don't generally consider it necessary for such costs to be incurred; and there are other more cost-effective ways of progressing matters such as complaining to the insurer or to this Service. So, I won't be directing Great Lakes to pay these costs.

Putting things right

In summary I'm directing Great Lakes Insurance SE to pay £200 compensation to acknowledge the poor service in the early part of this claim and that the early declination caused a delay in the claim being progressed.

My final decision

For the reasons given above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 20 September 2023.

Angela Casey
Ombudsman