

The complaint

Mrs S complains about Acromas Insurance Company Limited (“AIC”) and how they’ve handled the claim she made on her home insurance policy.

Mrs S has been represented by her daughter during the complaint process. For ease of reference, I will refer to any comments made, or actions taken, by either Mrs S or her daughter as “Mrs S” throughout the decision.

What happened

Mrs S held a home insurance policy, underwritten by AIC. Unfortunately, in December 2021, Mrs S discovered leak originating from her bathroom, which had damaged both her bathroom floor and her kitchen ceiling. So, she contacted AIC to make a claim on her home insurance policy.

AIC accepted Mrs S’ claim and arranged for the necessary repairs to be completed. But there were delays during this process. And Mrs S was unhappy with damage that had been caused to her property by the contractors AIC appointed, who I’ll refer to as “P”. So, Mrs S raised a complaint.

Mrs S was unhappy with how long it took for the repairs to be completed, and the inconvenience this caused her. Mrs S also complained about the damage P caused to her kitchen door, and some of her bathroom tiles. So, she wanted AIC to compensate her for the upset she’d been caused. And she wanted AIC to repair her kitchen door and replace all of her bathroom tiles, to ensure all of her bathroom walls remained matching as it did before.

AIC responded to the complaint and upheld it in part. They accepted there were avoidable delays between Mrs S notifying them of the claim in December 2021, and repairs commencing in May 2022. So, they offered Mrs S £300 to recognise any inconvenience this caused. And they agreed to replace Mrs S’ kitchen door due to the damage caused by P. But they didn’t think they should be responsible for replacing all of Mrs S’ bathroom tiles as Mrs S didn’t hold matching sets cover as part of her policy. So, to recognise the damage P caused, they offered to cover the costs of retiling one wall, with the other walls being Mrs S own responsibility to pay for. Mrs S remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They thought the £300 AIC offered for the delays, alongside their agreement to replace the door, were fair responses to Mrs S’ original complaint. But they didn’t think it was fair for AIC to rely on the policy terms, and the lack of matching sets cover, regarding the tiles as they thought the damage was caused by P and not claim related. So, they recommended that AIC either replace the damaged tiles with identical replacements or, if this wasn’t possible, replace all tiles in the bathroom so Mrs S had a matching set throughout the room.

Mrs S accepted this recommendation. But AIC didn’t. They confirmed replacing the damaged tiles with identical replacements wasn’t possible, as the tiles were no longer available. But they didn’t think it was fair to expect them to replace all of the bathroom tiles

due to what they felt was one damaged tile. So, AIC offered to pay Mrs S 50% of the quote they obtained from P to retile all the walls in the bathroom, to recognise their acceptance that the tile was damaged by P, but to ensure any compensation was in their eyes proportionate.

Our investigator put this offer to Mrs S. And Mrs S rejected it. So, our investigator wrote to both AIC and Mrs S re-affirming their recommendation that AIC either arrange for the full bathroom to be retiled at their own cost or pay Mrs S a cash settlement for the equivalent amount for her to arrange the work herself. Mrs S again accepted this recommendation. But AIC didn't, as they felt retiling the entire bathroom placed Mrs S in a better financial position which wasn't something they thought they should be reasonably expected to do. As AIC continued to disagree, the complaint has been passed to me for a 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.

For the reasons outlined above, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note both AIC and Mrs S have accepted our investigators recommendation that the £300 compensation already offered by AIC for the delays Mrs S encountered is a fair one. I note AIC sent Mrs S a cheque for this amount, and for the purposes of this decision I am assuming this cheque has been cashed. But if it hasn't, I'd expect AIC to raise a new cheque of the same value. I also note that both AIC and Mrs S accept that AIC have acted fairly by agreeing to replace the kitchen door.

As this has been accepted by both AIC and Mrs S, I'm satisfied these issues are no longer in dispute. So, I won't be discussing the merits of these issues in any further detail.

I also note AIC have accepted that the tiles damaged in Mrs S' bathroom were damaged due to the actions of P, and not because of the claim she raised regarding the leak in her bathroom. And as P were acting as an agent of AIC, AIC remain ultimately responsible for P's actions. So, I'm satisfied it's been accepted by AIC that they acted unfairly when repairing the damage related to the initial claim and again, because of this I don't intend to discuss the merits of this complaint in any further detail.

Instead, I've focused on the main point that remains in dispute, which is what AIC should fairly do to put things right regarding the bathroom tiles.

Putting things right

Any award or direction I make is intended to place Mrs S back in the position she would've been in, had AIC acted fairly in the first place.

In this situation, regarding the bathroom tiles, had AIC acted fairly, they would've ensured the repairs completed in her bathroom as part of the insurance claim she made were completed without any additional damage being caused. And if that were the case, Mrs S would've been left with the repairs complete and a bathroom with a full set of matching tiles, at no cost to herself.

But AIC have accepted that P did damage some of Mrs S' tiles. I note there is a dispute in the number of tiles damaged, with AIC believing it to be 1 tile while Mrs S feels it is more

than that. But either way, I've seen images which satisfy me that tiles have been damaged in Mrs S' bathroom. And, that this damage occurred to tiles which are visible and noticeable within the bathroom itself. So, I don't think the number of tiles that were damaged is relevant on this occasion.

And both Mrs S and AIC accept that the tiles currently in Mrs S' bathroom are no longer available to be purchased. So, a direct replacement can't be sourced and fitted to replace the existing tiles she has.

So, to place Mrs S back in the position she would've been in has AIC acted fairly, which is to have a bathroom with a complete matching set of tiles, I think the entire bathroom will need to be re-tiled with the same tile. And, as this work is necessary because of damage caused by P, acting as AIC's agent, I think it follows that AIC should be responsible for the total cost of the work, to ensure Mrs S is placed back in this position without a cost to her. This follows our service's approach to damage caused to matching sets, where a business is responsible for that damage.

I understand AIC won't agree with this decision. And I want to reassure AIC I have considered their testimony, their 50% proposal, and their reasoning behind this. And to an extent, I can understand why AIC would feel it is unfair for them to pay to replace all of the tiles in the bathroom, when only a few at most were damaged.

But crucially, AIC were the business instructed to manage the repairs, in their role as insurer of Mrs S' insurance policy. And Mrs S took out the insurance policy with AIC to help protect her financially in situations where her home was damaged and needed to be repaired. So, I don't think it's then fair for AIC to cause additional damage and expect Mrs S to be financially disadvantaged because of this. And if Mrs S was expected to contribute towards the costs of the re-tiling, I think this would be the case.

I also want to make it clear that the damage to the tiles was caused by the actions of P, when repairing the initial damages caused by the claim. The damage to the tiles wasn't caused by the insured event Mrs S claimed for when she claimed on her insurance policy. So, I don't think it is fair for AIC to rely on the scope of the policy Mrs S held, including whether it included matching sets cover, as I don't think the damage to the tiles form part of the insurance claim she made. So, this hasn't impacted the decision I've reached.

So, because of the above, I am directing AIC to cover the costs of retiling Mrs S' bathroom, based on the quote provided to them by P. This can be done by AIC arranging the works to be completed. Or, if Mrs S chooses, AIC should pay Mrs S a cash settlement of the equivalent value, for Mrs S to arrange the retiling work herself.

My final decision

For the reasons outlined above, I uphold Mrs S' complaint about Acromas Insurance Company Limited and I direct them to take the following action:

- Replace all of the tiles in Mrs S' bathroom to ensure she has one full matching set; or
- Pay Mrs S the equivalent cost as a cash settlement, so Mrs S is able to arrange this work herself.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 14 August 2023.

Josh Haskey
Ombudsman