

## **The complaint**

Mrs F complains about the amounts paid by Ocaso SA, Compania de Seguros y Reaseguros in settlement of a claim on her home contents insurance policy.

## **What happened**

Mrs F's home was flooded in June 2020 and the flooding caused extensive damage. She made a claim on her home insurance policy. Ocaso accepted the claim and has made a number of payments. Although Ocaso made payments for damaged contents Mrs F wasn't happy with the amounts paid and made a complaint.

Mrs F has been represented in bringing this complaint by a family member but for ease I'll refer to Mrs F throughout.

Our investigator looked into the complaint and initially recommended that Ocaso make a payment based on the information Mrs F had provided, on the basis he hadn't received information from Ocaso to oppose what she had said. Ocaso then provided a detailed response and he reconsidered the complaint in the light of that evidence. He made a number of further recommendations as further information was provided by both Mrs F and Ocaso.

His final recommendation was for Ocaso to make a further payment of £1,840.06. He also said it would be reasonable of Ocaso to:

- investigate the whereabouts of a payment of £366.71 which Mrs F says she never received, if she provides evidence showing no payment for this amount being made into her account; and
- add 8% simple interest to a payment of £520.05 relating to the cost of one item, from the date it was agreed to the date it is paid.

Ocaso has accepted these recommendations but Mrs F hasn't. She is looking for a settlement of £3,339.53 to cover the following items:

- £50.01 for a rocking chair;
- £520.52 for re-grouting tiles;
- £899 for a replacement oven;
- £51 outstanding for a dishwasher;
- £1,200 for the difference in value of one sofa;
- £619 for the difference in value of another sofa (which she agreed to as it was made with different material).

As no agreement has been reached I need to make 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.

The policy includes cover for flood damage and Ocaso accepts that the claim for the damaged contents is covered. The issue is whether the amounts Ocaso has paid to date are

fair.

The basis of settlement under the policy terms is the cost of replacing the item as new, provided the replacement is substantially the same as but not better than the original item when new.

The flooding incident took place in 2020 and the claim has been going on since then. Ocaso has made various payments, including to cover the cost of repair work to the property, but in relation to the contents claim there were various items in dispute. Over the course of the complaint the issues have been narrowed down. I have considered all the evidence submitted but I won't comment in detail on everything that has happened; my focus is on those items that are still in dispute. This is in line with the nature of our service, which is to resolve complaints quickly and with minimal formality.

Two items which were included in the investigator's most recent view have now been resolved – a payment for grouting of kitchen tiles and a further payment for a rocking chair. Although both parties have now accepted these, I will include these in my directions to avoid any further issues.

I will deal with each of the remaining items, which are disputed, in turn.

### *Sofas*

This is the main area of dispute. Mrs F has bought replacement sofas but Ocaso has not agreed to reimburse the full amount she's paid for these. It says the replacements are different from the damaged ones and paying the full amount claimed would leave Mrs F with sofas that are better than the original ones.

It's a reasonable approach to consider whether the replacements are better, given that the basis of settlement is the cost of replacing the item as new, provided the replacement is substantially the same as but not better than the original.

It's difficult to compare the sofas precisely. Mrs F doesn't have details of the original sofas – she says her receipts and other paperwork were lost in the flood. While that can't be helped it means there is little evidence other than photos taken of the damaged sofas and the replacements. Mrs F says these show the replacements are like for like but they are not the same and it's difficult to conclude they are equivalent from the photos, which indicate they may be of a better quality.

On the other hand, while Ocaso has pointed out that the materials in the replacements are not all the same as the originals, there's little evidence to prove the settlement it offered was based on a like for like replacement.

Given the difficulty in assessing whether the sofas are the same quality I think, on balance, the proposal made to increase the settlement but not to the full amount claimed is a fair way to resolve this.

### *Oven and dishwasher*

Ocaso paid £398 for dishwasher but I agree £449 would be a more reasonable amount, so it should pay the difference of £51 for this.

I think the amount paid for fitting is reasonable. The area in dispute is the cost of replacing the oven. Mrs F says Ocaso previously agreed to pay for the oven and should honour this.

Ocaso says the oven wasn't damaged. It was at a higher level where the flood water didn't reach so on the face of it, it seems unlikely there would have been damage. As Mrs F said the electric connection was damaged Ocaso asked for evidence of this. I haven't seen any evidence confirming this and if Mrs F hasn't proved the oven needed to be replaced then it wouldn't be fair to expect Ocaso to pay for a new oven.

Mrs F says Ocaso agreed to pay for the replacement oven but the email she has referred to simply says Ocaso would cover the replacement cost "*Should the oven require replacement...*" So this would only be included if it was agreed the oven needed to be replaced, which hasn't happened.

For these reasons it wouldn't be fair to require Ocaso to cover the cost of replacing the oven.

#### *Missing payment of £366.71*

Ocaso has provided evidence this was paid. Mrs F hasn't included this in the list of payments she is seeking so it no longer seems to be an issue. But if she were to provide bank statements for the period in question showing no such payment into her account then Ocaso can investigate that. If Mrs F is unhappy with the outcome of that she can potentially raise it as a fresh complaint.

#### **Putting things right**

Ocaso should make a further payment of £1,840.06, broken down as follows:

- £50.01 for the difference between the amount included in the settlement for the rocking chair and the cost of the replacement;
- £1,219 in respect of the difference between Ocaso's settlement for the sofas and Mrs F's replacements;
- £51 for the additional cost of the dishwasher;
- £520.05 for the re-grouting of kitchen floor tiles;

And pay simple interest at 8% per year on the payment of £520.05 for re-grouting the tiles from the date this item was agreed, to the date it is paid.

#### **My final decision**

I uphold the complaint and direct Ocaso SA, Compania de Seguros y Reaseguros to pay the compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 12 September 2023.

Peter Whiteley  
**Ombudsman**