

The complaint

Mr S complained about an unfair settlement he received from QIC Europe Ltd ("QIC") under his home insurance policy.

What happened

Mr S made a claim on his policy when a storm caused damage to his car port roof and destroyed his summer house. QIC sent a surveyor to review the damage.

Based on the surveyor's report, QIC accepted the storm caused the damage to the car port roof and summer house. However, initially it said only the summer house was covered by the policy, so declined to cover the car port. Subsequently, Mr S carried out a temporary repair to the car port, which he said cost him £400 to do.

QIC later changed its mind on providing cover for the car port, which left Mr S frustrated as he'd been inconvenienced with having to complete the job himself. QIC offered a cash settlement of £3,198 less the policy excess of £200. This is intended to cover repairs to the car port, the replacement of the summer house and removal of all storm related debris.

Mr S doesn't think this settlement is fair. He said his summer house is of high quality and he said he's had some of the wood checked and he's had it confirmed it's made of cedar wood cladding. Mr S thinks the settlement QIC has calculated is based upon a much inferior product. Mr S thinks the overall settlement would need to be circa £7,300 higher to indemnify him from the damage the storm has caused.

Our investigator decided to uphold the complaint. He thought as Mr S only completed a temporary repair, QIC should re-inspect the car port and provide a permanent and professional repair. However, he didn't think Mr S provided evidence to QIC when asked to demonstrate the quality of his summer house. So, he didn't think QIC had been unfair in the settlement it awarded. Both Mr S and QIC disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 29 June 2023. I said:

"QIC accepted the claim under the storm peril, however, the disagreement lies in the settlement it has provided to Mr S for the car port, summer house and debris removal, so I'll consider the evidence in relation to these three areas.

QIC's settlement before the excess was deducted was £3,198. QIC has provided a quote for it to provide a replacement summer house via an online provider. The quote was for £2,009. Unfortunately, QIC hasn't been able to provide any further breakdown of the settlement it provided but I can deduce the remaining £1,189 must've been for debris clearance and for the repairs to the car port.

I have considered the car port. Mr S said he did some temporary repairs as initially QIC

wouldn't cover the claim. He said these repairs cost him £400. Later, QIC changed its mind and said it would cover the repairs to the car port and made an allowance for the repair within the settlement.

Mr S wants a professional repair to his car port – he's not happy with the temporary repair that he's done. The temporary repair was made by Mr S to mitigate his losses and he did it hastily as QIC were unwilling to cover the claim at first. So, I can understand why he wants the repairs re-done to a good standard. I think this is reasonable.

QIC said "The cash settlement offered to the policyholder included the scoped costs for the repairs to the roof, including the materials, scaffolding and debris removal. This cash settlement would only cover the area of the roof that was damaged through the storm, and not the remainder of the roof which is not related to this peril. Once we have provided the cash settlement it is the responsibility of the policyholder to ensure they carry out an effective and lasting repair, however due to the pre-existing condition of the roof and evidence of rot to the frame this may not be as effective as the policyholder hopes. However due to these pre-existing issues we would not allow for a contractor to attend to complete the work".

However, Mr S has provided a quote from a local supplier which states the work to repair his car port would be £1,700. So, Mr S wants QIC to settle the claim to this amount and to cover the cost of temporary repairs he made. QIC said it was only willing to cover the repairs caused by the storm and said that's what it allowed for.

I've read the surveyor's report to see what it states about the car port. The report states "[Policyholder] has put some tarpaulins and tried to secure some temporary panels to the car port to keep dry". It states the external damage as "storm force winds have removed sections of the GRP [type of fibreglass] car port roof which needs to be replaced".

I don't think QIC has been fair in only settling this part of the claim for less than £1,000. It has said the car port was in a poor pre-loss condition. However, the surveyor's report doesn't provide evidence to support this statement. The surveyor commented on the good condition of the summer house, so I think he would've commented on the condition of the car port if it was particularly poor. I also haven't seen any photographs provided by the surveyor to show the car port was in a poor state of repair.

QIC has said it isn't willing to do the repair. So, I think it's reasonable that Mr S expects QIC to cover the cost it would cost him to get the work done professionally. He has provided a quote for £1,700. The quote is to replace the 13 GRP sheets. As the surveyor didn't state what exactly had to be repaired, I can't say this quote is unreasonable. Therefore, I uphold this aspect of the complaint. I intend that QIC settle this part of the claim by paying Mr S £1,700 so he can get a good standard of repair completed. I intend QIC to refund the cost of the temporary repairs Mr S completed himself on the production of valid receipts (if receipts aren't available, then I intend that QIC pay a minimum of £250 to cover this cost).

Carrying out these temporary repairs and been having to put up without a permanent repair for some time, will have caused Mr S distress and inconvenience, so I'll consider this towards the end of my decision.

I've then considered the settlement QIC has provided for the summer house. QIC asked Mr S to provide an invoice or proof of purchase for the exact model of summer house that was required. QIC said Mr S was unable to provide this, so it sourced a suitable replacement, which includes "a cedar wood protective coating and a new base".

Mr S is unhappy as he said the quality of the replacement offered isn't the same as his

original summer house. He said it's made from pine wood, and he said the destroyed summerhouse was made from cedar wood. Mr S provided a quote of just over £8,000 from a local supplier for supply of a "cedar cladded" summer house. Mr S wants a settlement that provides him with a like for like replacement. I think it's reasonable the replacement is of similar quality if it can be proved what the original was made from.

Mr S provided QIC a photo of the summer house pre-loss. He also provided QIC with photographs of the damaged wood from his summer house. QIC said its unable to evidence from the images the type of wood that is photographed. However, I can see Mr S took the broken fragments into a timber merchant to be verified. The timber merchant confirmed in writing the wood to be "western red cedar". QIC said this didn't change its view as it couldn't verify the wood shared with the timber merchant was from the original shed.

I don't think it's unusual for people to lose receipts after a few years of purchasing an item. However, I think QIC has had ample opportunity to inspect the damaged shed to verify the original material. The surveyor didn't provide a description of the wood in his report and QIC has chosen not to re-inspect the summer house.

I think Mr S has tried to demonstrate to QIC the quality of the original shed – he's shared pre-loss photos and he's had the fragments checked by a timber merchant. I'm not sure what else QIC would expect Mr S to do. I'm persuaded by the evidence that Mr S has provided, so I intend to uphold this complaint. There is no evidence provided by QIC to demonstrate the material was pine.

I intend QIC to supply and fit a replacement summer house with one like the photograph provided by Mr S of the pre-loss condition and made from cedar wood. The replacement should include both a summer house floor and summer house base as Mr S has explained both are needed, otherwise the product is not normally guaranteed by the supplier. Alternatively, QIC can cash settle this aspect of the claim by paying Mr S the amount of the quote he obtained (I.e., £8,118 plus fitting costs).

It's hard to know what QIC has allowed for removing the debris from site, as it hasn't shared this information. Mr S has estimated this at £300 which I think is fair. So, I intend that QIC either remove the debris from site or cash settle this part of the claim for £300.

I think this claim has caused Mr S distress. He's been unable to use his summer house whilst the disputed rumbled on and his car port hasn't had a permanent fix. He's been inconvenienced as he hasn't been able to use these structures properly. So, I intend to award £500 in compensation to reflect the distress and inconvenience suffered".

Responses to my provisional decision

Mr S accepted my provisional decision and didn't provide any further information that required considering.

QIC didn't say whether it accepted or rejected my decision. However, it thought the quote provided by Mr S was on the heavy side and provided an alternative quote that it had received which was for a lower amount. QIC asked for two further quotes to be provided by Mr S, which it said it could then consider.

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'm not persuaded to change my decision based on the request that QIC has made. I think QIC has already had plenty of opportunity to review the claim in further detail before now and it chose not to – any review could've included asking Mr S to provide additional quotes.

I think asking Mr S to seek further quotes will further delay his claim and I don't think this is fair considering QIC has already caused significant delay to the claim already. I also don't think QIC's request would necessarily resolve the claim, as it said it would consider the quotes – it didn't say it would agree to the settle the lowest quote.

I think my decision is reasonable, as QIC has been given an option to replace the summerhouse themselves. So, if QIC isn't happy with the settlement amount and if it thinks it can supply and install the new summerhouse for a cheaper amount themselves, it is free to do so. Of course, QIC need to ensure it provides a summerhouse of equal quality and specification of the original damaged summerhouse.

My final decision

My final decision is that I uphold this complaint. I require QIC Europe Ltd to:

- Pay Mr S £1,700 to allow him to get a professional repair to his car port.
- Re-imburse Mr S' costs for the temporary repair to the car port (on production of valid receipts). If receipts are unavailable pay Mr S a minimum £250 cash settlement.
- Replace Mr S' summerhouse with one made from cedar wood and of the same dimensions and quality as the pre-loss photograph (incl. floor and new base), or cash settle the claim (£8,118 plus fitting costs).
- Remove the debris from site, or cash settle this part of the claim for £300.
- Pay £500 compensation* – for distress and inconvenience.

QIC should still deduct a £200 excess from this settlement in line with the policy terms. If it has already paid the original settlement offered (i.e., £3,198 less the policy excess), then it should only pay the incremental amount.

* QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell it that Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 August 2023.

Pete Averill
Ombudsman