

The complaint

Mrs C complains about esure Insurance Limited (“EIL”) and the way they have handled and progressed the claim she made on her home insurance policy.

What happened

Mrs C held a home insurance policy, underwritten by EIL. Unfortunately, on 31 December 2022, there was a significant escape of water at Mrs C’s property which flowed through her bathroom floor and into the rooms below. So, Mrs C contacted EIL to make a claim.

EIL accepted the claim and appointed a loss adjustor, who I’ll refer to as S, to manage the claim on their behalf. They also made Mrs C aware that she didn’t hold additional home emergency cover and so, she’d need to arrange for the leak that had caused the escape of water to be repaired herself.

Between 5 January and 2 February, S arranged for the drying out process to begin at Mrs C’s home. And S compiled a report detailing the restoration work that would be required, and the estimated costs of this. In late February, Mrs C chose to take a cash settlement for her own repairer to complete the restoration work. But she explained she would only accept this settlement if it covered the quotes she obtained.

Mrs C provided these quotes to S in late March. And these quotes were for significantly more than the cash settlement S proposed, based on their report. So, Mrs C refused to accept the cash settlement at this time. No further action was taken until the start of May, when S tried to contact Mrs C on several occasions to try and agree a way forward, without success. But by this point Mrs C was unhappy with how long the claim had taken without the repair work being completed and so, she raised a complaint.

Mrs C was unhappy with how long the claim was taking, and the inconvenience this was causing her living in a home that required extensive repair work. So, she wanted EIL to pay her a cash settlement that allowed her to instruct her own repairer and cover all the associated costs, plus compensation for the distress and inconvenience she’d been caused. EIL didn’t issue a response within the eight-week time period they are afforded and so, Mrs C referred her complaint to our service.

EIL engaged with our service, providing information and their position allowing us to investigate the complaint on 22 May 2023. So, the scope of our service’s investigation only considered the events that had taken place up until that point.

Our investigator looked into the complaint and upheld it. They thought there had been avoidable delays during the claim process. And, that EIL had failed to call Mrs C back at agreed times. And they recognised the upset and inconvenience this would’ve caused, considering Mrs C’s mental health and pre-existing condition. So, they thought EIL should pay Mrs C £200 to recognise this.

EIL accepted this recommendation. But Mrs C didn’t. She didn’t think £200 was enough to compensate her for what she felt was 7 months’ worth of delays. Our investigator reiterated

the scope of our service's investigation, and that it's not our role to manage the progression of an ongoing claim. So, they maintained their view that £200 was a fair offer to compensate Mrs C for EIL's service failures between February – May 2023. Mrs C continued to disagree and so, 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.

Having done so, 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.

Before I explain why I've reached my decision, I think it's important for me to set out exactly what I've been able to consider, and how. I understand Mrs C's claim remains ongoing, and she wants all the delays she feels she's experienced to be considered. But our service only has the jurisdiction to consider events that have been raised with a business first, where that business has then been given up to eight weeks to respond within their own complaint process.

In this situation, EIL provided their business file, and their comments about the service they provided, to our service on 22 May 2023. So, I've been unable to consider any events, and the impact of these, that occurred after this date as they fall outside of our jurisdiction. Should Mrs C wish for events after this date to be investigated by our service, she would need to raise a new complaint with EIL first.

So, my decision has focused solely on the service EIL has provided from 31 December 2022, when she first notified EIL of her claim, until 22 May 2023, for the reasons I've outlined above.

And I also want to make it clear the obligations EIL held, under the policy they provided. I've seen Mrs C's policy schedule which confirms she didn't hold optional home emergency cover. So, EIL weren't responsible for the repair to the leak itself and I think they were fair, and correct, when they explained this to Mrs C in January 2022. And I wouldn't expect them to cover the costs of the repair work needed to stop the leak that caused the damage to Mrs C's property.

But as Mrs C's building and contents insurer, EIL are responsible for the restoration of Mrs C's home, repairing the damage caused by the leak itself. And I'd expect this process to be progressed, without reasonably avoidable delays.

I've seen the actions EIL took, through S acting as their agent, in January up to early February 2022. And I'm satisfied EIL took reasonable steps to progress the claim up to this point, implementing a drying process and obtained a report that estimated the costs of the total repairs required.

But following S' report, I can see there was a delay of around two weeks where EIL didn't contact Mrs C to explain her options moving forwards. And during this time, I can see Mrs C chased S, and so EIL, for updates without receiving any return contact. And I think this is both unfair, and unreasonable.

In late February, I've seen S did make Mrs C aware of the two options she had available. And I've seen Mrs C explained she wished to take the cash settlement, but only if it covered

quotes she obtained from her own repairers. So, from this point, I wouldn't have expected S to have done anything further, until Mrs C provided the quotes for their consideration.

I can see Mrs C provided these in late March. So, I think there was a delay of around a month which wasn't the fault of EIL, and so I won't be holding them responsible for this period. But, from the date Mrs C sent the repair quotes, I think there was another period of around 5 weeks where no further action was taken by S to progress Mrs C's claim. While I recognise the quotes were in excess of the cash settlement they proposed, I would've expected EIL to remain in communication with Mrs C to try and agree a way forward. And I can't say they did until early May.

In early May, I've seen S, and so EIL, did attempt to contact Mrs C on several occasions over the phone, by email and by text. And I can't see Mrs C responded to much of this contact. So, I don't think I can say EIL were responsible for the delays after the start of May, up to 22 May, as I would've expected Mrs C to engage with EIL during the process.

So, I do think there were avoidable delays of around 7 weeks during the time period I've been able to consider. And I think there were times where EIL should've responded to Mrs C's request for contact sooner. So, I'm satisfied EIL have acted unfairly and because of this, I've then turned to what I think EIL should do to put things right.

Putting things right

Our investigator recommended that EIL pay Mrs C £200 to recognise the upset and inconvenience she was caused. And I think this payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think it adequately addresses the avoidable delays Mrs C experienced between February to May 2023, and how these delays and the frustration they created would've impacted Mrs C, especially when her mental health and pre-existing condition is considered. I also think it fairly reflects EIL's failure to communicate with Mrs C as I would've expected during this time.

But I think it also fairly reflects the fact that some of the delays Mrs C has referred to were created through no fault of EIL's. And, that some of the avoidable delays have been caused by the fact that Mrs C and EIL remain in conversations about what a fair cash settlement should be when Mrs C did also have the option of allowing S to arrange the repair work themselves. I think it also acknowledges S' report, compiled in February, which confirms the electrics had been reinstated and so were available to the property.

So, because of the above, I think EIL should pay Mrs C £200 to recognise the impact she's experienced. It is my understanding that EIL have already paid this amount and that they've processed this payment following the investigators recommendation. Should Mrs C not have received this, she should make EIL aware and ask for the payment to be raised again.

I understand this isn't the overall outcome Mrs C was hoping for. But as I've explained earlier within my decision, any delays that Mrs C has experienced after 22 May 2023 will need to be complained about separately and our service would be able to consider these, and any potential compensation, separately should Mrs C remain unhappy with EIL's response.

My final decision

For the reasons outlined above, I uphold Mrs C's complaint about esure Insurance Limited and I direct them to take the following action:

- Pay Mrs C £200 to recognise the upset and inconvenience she's been caused, if this has not been paid and received already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 27 September 2023.

Josh Haskey
Ombudsman