

The complaint

Mr B complains about the way International General Insurance Company (UK) Ltd (IGIC) has handled a claim under his building warranty.

Any reference to IGIC includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mr B owns a new build property for which he has a building warranty – the policy covers structural defects in the first ten years.
- In November 2019, Mr B highlighted to IGIC the snagging issues he'd tried to address with the developer. His claim was initially declined due to many of the issues being outside the scope of the policy.
- But when it became apparent the developer wasn't willing to cooperate, IGIC appointed a loss adjuster. In February 2021, the loss adjuster detailed which parts of the warranty might be operative in respect of the damage to Mr B's property.
- IGIC subsequently appointed a contractor who surveyed the property in April 2021 and said the original window installation was not to standard. IGIC agreed to cover replacing the windows. A quote was obtained in June, and in October works commenced.
- In May 2022, Mr B confirmed the replacement glass had been fitted and the works were deemed complete a month later. IGIC has acknowledged there were delays in obtaining relevant materials for the window replacement and this was due to ongoing supply chain issues experienced across the UK in 2020/2021.
- But in July 2022, Mr B said there were issues with the repairs – which included not being able to close doors. Unhappy with the contractor's lack of engagement with his concerns following the installation and how his claim had been handled, Mr B complained to IGIC.
- In its final response dated 17 November 2022, IGIC accepted the claim hadn't been progressed as quickly as it ought to and that its contractor had given a poor service by not replying to Mr B's post installation concerns.
- Unhappy, Mr B brought a complaint to this Service. An Investigator considered it and upheld it – he said IGIC should pay £500 compensation to recognise the impact of the delays and poor service on Mr B.
- IGIC accepted the Investigator's view, but Mr B doesn't consider the compensation to reasonably reflect the difficulties he experienced and so, the complaint has been

passed to me for an Ombudsman's 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 agree with the outcome our Investigator reached - I'll explain why. But before I do, I want to clarify I'm only considering events up until the date of IGIC's final response in November 2022.

I'm aware the claim is ongoing, and that Mr B has concerns about how it's been handled which post-date the final response, but these would need to be raised with IGIC in the first instance – following which this Service may become involved.

The Insurance Code of Business Sourcebook (ICOBS) requires insurers to handle claims promptly, fairly and must not unfairly decline a claim. What's prompt will depend on the circumstances - where significant remedial works are required, things will ultimately take longer.

IGIC has accepted its claim handling fell short and this caused avoidable delays. And it's acknowledged that Mr B's concerns about the installation of the replacement windows and doors weren't adequately dealt with. So, what I need to decide is whether £500 compensation – as recommended by our Investigator – reasonably reflects the difficulties Mr B experienced because of these shortcomings.

I'm aware that during some of this period, Mr B was in poor health – and I appreciate him sharing this information with us. I've no doubt this was a particularly challenging time for him and that this was compounded by the difficulties he experienced in relation to the claim.

Where significant repairs are required, it's reasonable to expect there to be some disruption to the policy holder's daily life – even if things happen as they should. And so, it wouldn't be reasonable to attribute this type of inconvenience to IGIC. Nor would it be fair to hold IGIC responsible for any initial stress Mr B incurred when trying to resolve matters with the developer and its standard of work - as IGIC isn't responsible for this. But it did have a duty to deal with the claim promptly, and from what I've seen, it didn't fulfil this.

Due to the impact of Covid-19, it's difficult for me to precisely work out which delays were attributable to IGIC's handling of the claim, and which were attributable to factors outside of its control. Whilst our Investigator thought there'd been avoidable delays at the start, these appear to have coincided with the onset of the pandemic and can therefore, be reasonably explained.

I also must factor in that where surveys and quotes are required – and the parties disagree on the scope of the works - things will understandably take longer. It does, however, seem unreasonable that it took from October 2021 to May 2022 to replace the windows – even accounting for the difficulties in sourcing materials. This, coupled with the contractor's poor communication after the window installation satisfies me that £500 compensation is fair and reasonable in the circumstances.

My final decision

My final decision is I uphold this complaint and direct International General Insurance Company (UK) Ltd to pay Mr B £500 compensation.

International General Insurance Company (UK) Ltd must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 October 2023.

Nicola Beakhust

Ombudsman