

The complaint

Ms S complains about the standard of repairs arranged by QIC Europe Ltd (QIC) following a claim she made for an escape of oil, under her home buildings insurance policy.

What happened

In June 2022 there was a leak of oil originating from Ms S's boiler. This was fixed but damage resulted to the surrounding area in her kitchen and utility rooms. Ms S made a claim to QIC. It arranged for an inspection of the damage and for repairs to be completed. She says the repairs are substandard in a number of areas and she doesn't want the same contractor to return again.

Ms S says she wasn't offered a settlement payment initially. She says this could've avoided delays in waiting for QIC's contractor to start work. Ms S says her mental health has been impacted by the ongoing issues and the time she's had to spend in alternative accommodation. She says she has been out of her home for over six months, had to move several times, not had her dog with her, and couldn't have her grandchildren over to stay.

QIC says its surveyors offered Ms S a settlement payment, but she refused this as she thought it would be too much for her to handle the repairs by herself. But it agrees the repairs it arranged weren't up to the required standard. QIC says it offered Ms S £8,535.11 as a settlement payment in February 2023 so she could arrange for the remedial work to be completed. In addition, it offered £250 compensation for the inconvenience it caused her.

QIC says it can arrange to carry out the remedial repairs, if Ms S can't find a contractor to do the work for the payment it offered. It says it's fair to allow its contractor the opportunity to put right any the issues highlighted with its work. QIC says Mrs S's complaint was closed at the end of November 2022 following a conversation with its surveyor. It says she was happy with the outcome. Following its offer of a cash settlement it says there have been no further complaints raised and so a final response letter wasn't sent.

In its submission to our service QIC says that following its investigation it's satisfied this was the correct outcome.

Ms S wasn't satisfied with this outcome and referred the matter to our service. Our investigator upheld her complaint. He didn't think QIC had treated Ms S fairly. He says the photos he's seen support the view that the floor tiling needs replacing. He says the photos show this is uneven and also prevents a door from closing. This is in addition to work that is needed to repair a damaged cooker hood and dishwasher.

Our investigator thought QIC should pay a total of £400 compensation for the inconvenience and distress it caused Ms S. And that it should pay for the remedial repairs. Ms S agreed. QIC didn't agree. It supplied its scope of works that it says include all the repairs that needed doing, which includes those set out by our investigator. It agreed to pay additional compensation but says its contractor should have the opportunity to complete the repairs under the warranty it provided.

As it didn't agree with our investigator QIC asked for an ombudsman to consider Ms S's complaint.

It has been passed to me to decide.

I issued a provisional decision in July 2023 explaining that I was intending to uphold Ms S's complaint. Here's what I said:

provisional findings

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've decided to uphold Ms S's complaint. Let me explain.

QIC accepted Ms S's claim following the escape of oil in her home. I can see she was placed in alternative accommodation whilst the repairs were carried out. Ms S hasn't complained about these points, so I needn't consider this further. My focus here is on the standard of repairs and the distress and inconvenience Ms S says she was caused by the need for remedial works. I will also consider her concerns that QIC didn't offer a settlement payment at the outset of her claim. More specifically, that this meant the repairs took longer resulting in more time for her in alternative accommodation.

I've read the inspection report completed by QIC's surveyor on 15 November 2022. This relates to the "snagging issues" highlighted by Ms S. The report says:

"On inspection: There are a few things that needed to be addressed by the contractor: 1) Some areas on the walls required more filling and rubbing down / prep prior to emulsion finish. Especially just above skirting level on the dividing wall to Lounge. 2) floor tiling near incline / small ramp down to utility was not to standard - Have requested that this section is addressed by contractor. 3) Glass splash back. Policy holder requested white instead of black this has now been addressed. 4) Tiled floor in GF W.C is dirty from use of contractor. Have advised this will be cleaned as a part of the post builders clean by contractor. 5) Carpets have been soiled from works in the adjacent Lounge, Stairs and Landing - Have spoken with CCH who will instruct TFR to clean. 6) Mitre / biscuit joints on units need addressing joints not flush and requires addressing. All of the above has been agreed by [contractor] who will address all."

Ms S says she was asked by QIC's surveyor to provide a report to illustrate the remedial work needed to fix the floor tiling. In response she supplied a report from a contractor headed "Retiling the Kitchen and Utility Area". The report says:

"Description of works: The entire floor needs taking out. The floor needs levelling prior to tiling. The new tiles need to be laid. Then we need to grout the tiles.

Report for retiling: When we arrived at the property you can easily notice the poor work that has been done. The tiles are uneven and is a trip hazard as they stick [sic] from the ground. There are many sharp edges as they haven't cut them 45 [degrees] especially around the ramp. Spaced [sic] between the tiles not equal."

QIC has supplied a scope of works for the remedial repairs. It says this includes the work required to resolve the issues with the tiling, as well as the cooker hood and dishwasher that Ms S highlighted. I've read the scope of works. I can see the following items are included in the proposed repairs:

*“Line Item 101 - Install Ceramic floor tile - High grade
Line Item 111 - R&R Dishwasher - Integrated w/labour - High grade
Line Item 114 - R&R grout or regrout tiled floor
Line item 122 - Cooker Hood - Self circulating - Remove and refit
Line Item 130 - R&R Grout or re-grout tiled floor”.*

I've looked at the photos Ms S supplied of the floor tiling QIC's agent installed. There are a number of areas where the gaps between the tiles vary in width – this is supposed to be uniform. There are also several areas where the edges of the tiles are raised. The tiles don't always align, and the general finish looks poor. I think the photos act to support the view of the tiling contractor Ms S approached, which is that the tiles need to be removed and replaced.

QIC doesn't dispute this view. Its scope of works for the remedial repairs include removing and replacing (R&R) the tiles in question. However, Ms S says the contractors she's spoken with can't complete all the repairs for the cash settlement QIC offered. In addition, she says she doesn't trust QIC's contractor to carry out the repairs to a good standard. I note QIC's contractor has been out to carry out some repairs previously. Ms S says that it laid some strips over the join between her kitchen and utility rooms. She says this looks terrible and now means the door won't close. Other than this she says the tiling remains the same.

There's no dispute that remedial repairs are required to return Ms S's home to the condition it was in pre-loss. This is because of the poor standard of repairs completed by QIC's contractor. I've read Ms S's policy terms to understand what is expected to happen. The terms say:

“When settling your claim, if we decide that we can offer rebuilding work, repairs or replacements, we will ask you to choose one of the following options.

- a) We will choose a contractor (our preferred contractor) and instruct them to carry out the rebuilding work, repairs or replacements.*
- b) We will pay you a cash settlement for the same amount it would have cost us to use our preferred contractor.*

If we cannot offer rebuilding work, repairs or replacements (as defined by us) through our preferred contractor, we will pay you fair and reasonable costs to have the work carried out by your chosen supplier.”

I note Ms S's comments that she wasn't offered a settlement payment at the outset of her claim. However, QIC disputes this. It says two of its surveyors discussed this with her. It says its surveyors recall that Ms S, “felt this would be too much to handle and so chose for us to use one of our selected contractors”. Clearly Ms S has a different recollection. I don't dispute what she says. However, based on the evidence available I'm not able to clarify this point further. That said Ms S was in possession of her policy terms. The option for a settlement payment is clearly stated. She could've contacted QIC to request this given her concerns about the delay in works commencing.

I've thought about Ms S's reluctance to have QIC's contractor back to complete the remedial work. It's clear that a significant part of the work wasn't completed to a good standard. This is acknowledged by QIC. This is also the view of Ms S's contractor, which is supported by the photos provided. In the first instance I agree with QIC that it's fair to allow the contractor to return in order to remedy any issues with its work. However, in this case it has already had this opportunity and carried out ineffective repairs. I don't think it's fair to Ms S to have to rely on this contractor to complete the repairs again in these circumstances.

Ms S says she's satisfied with the settlement payment QIC offered for some of the repairs. But she doesn't think this allows for the cost of the tiling, when using an alternative contractor.

In these circumstances I think a fair outcome is for QIC to amend its settlement offer by removing its preferred contractors costing for tiling and grouting work and to replace this with the costing Ms S obtained from her contractor. QIC's contractor has carried out a poor standard of work relating to the tiling. It hasn't helped the situation with its attempt to remedy its substandard work. So, I think it's fair that Ms S receives a payment to cover the cost of her chosen contractor carrying out this work.

I've thought about the impact all of this has had on Ms S. I've read the letter she provided from her medical health practitioner that links the ongoing repair issues with her health problems. I'm sorry to hear that the ongoing issues with the repairs to Ms S's home has impacted on her mental health.

We expect an insurer to handle all claims effectively. Some disruption is unavoidable when events like this happen. But an insurer should make sure that it carries out repairs efficiently to prevent avoidable disruption. Because of the poor standard of repairs, and the additional time this has meant to restore Ms S's home to its pre-loss condition, I don't think QIC has handled this claim effectively. The business has offered Ms S £250 compensation for the inconvenience it caused her. I agree with our investigator that a total payment of £400 is more appropriate to acknowledge the distress and inconvenience she has experienced.

In summary, I don't think QIC treated Ms S fairly because of its contractor's poor standard of work. It should provide a cash settlement to include the tiling work costing Ms S provided, alongside the remaining items from its scope of work. It should also pay Ms S a total of £400 compensation for the distress and inconvenience the poor standard of work and subsequent delays in restoring her home have caused.

I said I was intending to uphold this complaint and QIC should:

- pay Ms S a cash settlement to include the costing she supplied for the remedial tiling work; and
- pay Ms S a total of £400 compensation for the distress and inconvenience it caused her

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

QIC responded to say that it accepted my provisional findings. Ms S also responded to say she accepted.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that QIC Europe Ltd should:

- pay Ms S a cash settlement to include the costing she supplied for the remedial tiling work; and
- pay Ms S a total of £400 compensation for the distress and inconvenience it caused her

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 20 September 2023.

Mike Waldron
Ombudsman