

The complaint

Mrs V complains about how Ocaso SA, Compania de Seguros y Reaseguros (“Ocaso”) handled her claim on her home insurance.

What happened

Mrs V owns a property that benefits from a home insurance policy that’s underwritten by Ocaso. Previously, she jointly owned the property with her husband, Mr V, who sadly passed away at the end of 2019.

In 2013 there had been an escape of water at the property. Mr and Mrs V made a claim on the policy at the time, which was accepted. In 2015 the repair work was reaching completion when there was a second escape of water which led to further damage and a second claim.

It took some time for repairs to be completed and when Mr V sadly passed away, the claim was still ongoing. When Mrs V felt able to continue the claim again, there were a number of snagging issues that still needed to be addressed. As well as some items of contents that had been damaged and not reimbursed.

As she didn’t feel the claim was progressing with Ocaso she made a complaint. Ocaso upheld the complaint and offered £200 compensation for poor communication. However Mrs V didn’t think that was enough and brought the complaint to this service.

After the complaint came to us Ocaso confirmed that it was appointing an independent contractor to inspect the property and put together a scope of works that it would then complete. It also agreed to pay £230 for the damaged contents.

Our investigator considered this and thought it was a reasonable offer to resolve the complaint. However he also thought Ocaso should pay a total of £650 compensation to apologise for the distress and inconvenience it had caused Mrs V in the handling of her claim.

Mrs V didn’t agree with the outcome. She said the stress of the claim had made her late husband’s condition worse, so more compensation was due.

As agreement hasn’t been reached the complaint has come to me to decide.

In August 2023 I issued a provisional decision that said as follows:

'I understand there are still works outstanding at Mrs V's property. However Ocaso has offered to appoint an independent surveyor to scope the required works and oversee these to completion. It's also offered £230 to pay for the damaged contents. Mrs V has accepted this offer so I won't consider this element of the complaint any further.

This means all that's outstanding is the compensation due.

Insurance claims by their nature will always cause a level of distress and inconvenience. Especially for claims such as this, where there has been extensive damage to the property and the policyholders have had to move out of their home for a period of time. However when determining the compensation due, I need to consider Ocaso's actions. And whether it caused Mrs V any additional distress and inconvenience because of these.

From looking at the information provided, I don't think Ocaso has provided a good service at times and has caused avoidable delays. In particular:

- The issue that caused this claim appears to be due to a problem that was caused by Ocaso's contractors when fixing the original problem from the 2013 claim. While Ocaso hasn't confirmed this directly, all the reports it's provided in relation to the claim suggest this to be the case. Therefore if Ocaso's contractors had carried out a suitable fix in the first place, then it seems likely that Mr and Mrs V would have had no cause to claim in 2015. And would have been spared the distress and inconvenience of this claim.*
- It has taken a long time for it to settle some elements of the claim despite Mr V having to chase numerous times for the same thing – for example payment of the council tax.*
- The claim was made in 2015, yet in 2022 there were still snagging issues outstanding, despite these being brought to Ocaso's attention some time ago. This means the claim has gone on for much longer than I would expect. I note that the claim paused for some time after Mr V passed away, as Mrs V understandably didn't feel able to deal with it. However I think Ocaso could have been more proactive in supporting Mrs V and resolving the outstanding issues. It has now offered to instruct an independent engineer to sort the remaining issues, but it has taken many years to get to this stage.*
- Ocaso were aware of the snagging issues yet closed its file for the claim. This caused Mrs V additional distress when she got back in touch to find the claim was no longer open.*
- During the course of this claim Mrs V has very sadly lost her husband. She's said that the distress caused by the claim worsened his health and contributed to his passing. It's not possible to say to what extent the claim impacted Mr V and the affect it had on his health at the time. However I don't doubt it was a distressing time for both him and Mrs V. And the fact Mrs V lost her husband during this claim, would have undoubtedly made the matter more distressing for her to deal with. And therefore the impact of Ocaso's actions would have caused a greater impact.*

Due to this I think Ocaso has caused additional distress and inconvenience on top of an already stressful claim. It has taken a long time to resolve the outstanding issues and hasn't always been proactive in handling Mr and Mrs V's requests. Further there's evidence to suggest that its contractors caused the need for Mr and Mrs V to claim in 2015 in the first place. Due to this, I'm minded to ask it to increase the compensation offered to £1,000. This should include the £200 already offered. As I think this is a fairer offer in the circumstances, to recognise the avoidable delays and distress and inconvenience caused.'

Response to my provisional decision

Ocaso responded and accepted my provisional decision.

Mrs V responded with additional information about the impact the matter had had on her. In particular she highlighted the impact that staying in the alternative accommodation for so long had. She said the standard of property wasn't the same as her home - and this was during a time when her husband's health was rapidly deteriorating. She said the property didn't have clothes washing facilities, so she needed to take washing elsewhere to be washed and dried, and while her husband was able to do this to begin with, as his health got worse, this fell to her to complete.

She also said it was his wish to die in his own property rather than a rental property, and this meant they moved back to the property sooner than they would have done, to ensure that he could be comfortable and to fulfil his wish.

Further she said they were told they'd be in alternative accommodation for six months but ended up remaining there for a year and 8 months and this led to further distress.

Second provisional decision

Following this, I reconsidered my original outcome. I thought that the additional information Mrs V provided about how the handling of the claim had impacted her, meant that a higher level of compensation was due.

I wrote to both sides to explain this. I said I thought considering the circumstances they were in, with Mr V's worsening health, the matter would have been extremely distressing. And as I had previously outlined in my first provisional decision, I considered Ocaso to be responsible for a considerable amount of the delays, due to poor workmanship and because of the second escape of water.

I said due to the additional information about the standard of alternative accommodation, the length of time they were placed in it and the additional pressure due to the lack of washing facilities meant that additional compensation was due. And as this was during a particularly critical time for Mr V's health, I thought this would have caused a significant amount of distress.

I concluded that based on this better understanding of the impact of the matter, I intended to increase the compensation by a further £500 to a total of £1,500 to recognise the distress that was caused.

Response to my second provisional decision

In response to my updated findings, both Mrs V and Ocaso responded to accept the increased offer.

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 both sides have agreed to my second provisional outcome, I see no reason to depart from this decision, for the reasons I have already outlined.

My final decision

For the reasons I've given, I direct Ocaso SA, Compania de Seguros y Reaseguros to pay

Mrs V a total of £1,500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 24 October 2023.

Sophie Goodyear
Ombudsman