

The complaint

Mr V and Mrs V, trading as a company who I will refer to as A, have complained about the service they received from their loss assessor Andrew Smith trading as Citrus Funding (who I will refer to as 'C') in connection with their buildings insurance claim.

C appointed Mr Z as their appointed representative. C is therefore responsible for the actions of Mr Z, so all references to C will include a reference to Mr Z.

What happened

Mr V and Mrs V run their business from a ground floor commercial unit, which was damaged by an escape of water from the flat above on or around 5 November 2022. Mr V and Mrs V appointed C to assist them with their claim. However, they've complained that C has been unresponsive and hadn't registered their claim with their insurer. They've also said that dehumidifiers weren't provided and C gave them no assistance with their claim.

However, C disagreed with Mr V and Mrs V's view of the assistance he'd given and provided evidence to show that the claim was notified to the insurer on 16 November 2022, (eight days after C had been appointed) and on 25 November 2022, the claim reference number was provided to Mr V and Mrs V. C also said that during that time a number of phone calls had been made to Mr V and Mrs V. While there was a delay in dehumidifiers being provided to dry out the property, C said that was due to delays caused by the insurer's loss adjuster, who was unresponsive at times.

One of our investigators looked into what had happened and issued a view on 25 July 2023, not upholding the complaint. He concluded that he hadn't seen any evidence to show that C had handled the claim poorly or was responsible for any of the delays.

In response to the view Mr V said that C's promises made to secure the contract with them were not adhered to, including promises to get the issues resolved urgently with the insurers as the damage was having a detrimental impact on their business. Mr V also said that C had promised that all building works necessary would be carried out and they would be fully defined and approved by Mr V and Mrs V, and that they would be kept fully informed throughout. In addition, Mr V felt that C had failed to take account of their concerns that the works quote he provided was inadequate and didn't cover all of the works.

Mr V and Mrs V requested an ombudsman's decision on the complaint.

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 Mr V and Mrs V are unhappy with how the claim has progressed, I've first set out below a detailed timeline of what happened during the claim to see whether there have been any periods of avoidable delay that C is responsible for.

8 November 2022 – the claim was reported to C.

9 November 2022 – C attended the property and took moisture readings and images of the damage so the insurer could be notified and the scope of work could be confirmed.

16 November 2022 – C notified the insurer of the claim.

18 November 2022 – C provided a copy of the letter of authority from Mr V and Mrs V to the insurer.

22 November 2022 – Mr V and Mrs V contacted C to say they were disappointed the claim wasn't progressing.

24 November 2022 – C spoke to Mr V and Mrs V and reminded them of the conversations and actions that had taken place in the previous two weeks (detailed above).

25 November 2022 - the claim reference number was provided to Mr V and Mrs V.

6 December 2022 – C emailed Mr V and Mrs V to say he had been chasing the insurer by phone and email for an update on progress and had provided the insurer with a scope of works.

13 January 2023 – the insurer's loss assessor contacted C to arrange a time to attend the property.

16 January 2023 – a meeting at the property took place with the loss adjuster and C during which time the scope of work was discussed and the claim was validated. After this visit Mr V and Mrs V informed C that they were considering taking a cash settlement rather than having the works carried out by the insurer. C asked them to confirm in an email what route they decided to take.

26 January 2023 – C attempted to contact Mr V and Mrs V (and again on 27 January and 6 February).

2 February 2023 – the insurer's loss adjuster contacted C to confirm a number of items that would not be included under the policy, which included driveway protection, carpet lift and replacement, access platform, storage, delivery and removal of storage items. The loss adjuster also said that, subject to what was included in the lease, the suspended ceiling and shutter system also might be excluded.

16 February 2023 – C spoke to Mr V and Mrs V who said they still weren't sure about taking a cash settlement and asked for C's contractors to provide a quotation for the works.

22 February 2023 – C's contractor, B, provided its quotation for the repair works.

27 March 2023 – following a month of negotiations, C negotiated with the insurer's loss adjuster to include the suspended ceiling in the scope of work. This was notified to Mr V and Mrs V who said they didn't agree with the schedule and insisted that the storage, carpets and tables be included in the scope of the claim. C had previously advised that these would not be covered by the policy.

29 March 2023 – C provided Mr V and Mrs V with a copy of their letter of authority and signed terms of agreement. C advised that the claim wasn't progressing because they were waiting on a decision from Mr V and Mrs V about whether they wanted the claim to be settled by way of a cash settlement, or the repair works being completed. C says that no

response was obtained from Mr V and Mrs V after this time, to any attempts by C to make contact with them. Mr V and Mrs V's timeline also shows that from this point they communicated with C via their insurance broker about the claim.

26 April 2023 – Mr V and Mrs V's insurance broker emailed C to advise that they were waiting for their business interruption policy insurers to confirm what cover they'd be able to claim, before decided how to proceed with the building insurance claim.

11 May 2023 – Mr V and Mrs V's insurance broker emailed them to confirm that carpets, storage and damage to glass weren't covered by the policy. He also said that once that was agreed, then the claim could be finalised, by way of a cash settlement or the repair works being carried out (once Mr V and Mrs V had decided how they wanted the claim to be settled).

24 May 2023 – C emailed Mr V and Mrs V's insurance broker asking for an update and was told that the insurer was chasing for an update on whether they were going to take a cash settlement or have the works undertaken.

Mrs V recalls the circumstances differently. She said that C agreed on 9 November 2022, to urgently arrange for dehumidifiers to be provided as soon as the agreement was signed. Mrs V detailed a number of calls she made to C that weren't answered. Her timeline also indicates that she didn't contact C directly after her email of complaint was made on 4 April 2023. Instead, she communicated via her insurance broker. Mrs V also said that she received an invoice from C for the sum of £2,413.33 plus VAT which had no bearing on the sums agreed at the outset between them, and she had no idea how C has arrived at that amount. Lastly, Mrs V told us that they'd obtained a quote for nearly twice the amount that C's contractors had quoted to complete the repair works, which she believes demonstrates that C's quote was inadequate, and Mrs V was also unhappy that despite asking on a number of occasions, for a copy of the scope of works, it wasn't provided.

I've carefully considered Mr V and Mrs V's concerns, and the available evidence, and have arrived at the same conclusion as our investigator, I will explain why.

I can see that it was frustrating for Mr V and Mrs V to experience any delays in relation to the progression of their claim, as it had a direct impact on their business. However, when considering their complaint, I can only hold C responsible for delays that it caused. And having carefully reviewed the actions that occurred during the period in which C was acting as their loss assessor on the claim, I can't identify any avoidable delays caused by C's actions. I note there were a number of weeks that passed between C notifying the insurer of the claim, and a loss adjuster being appointed. However, C did chase the insurer to try and speed that up. If Mr V and Mrs V consider that period of delay has adversely impacted their claim, then they are free to raise that with their insurer.

With regard to the quote obtained by C, for the repair works, and the scope of works, I note that these were provided to Mr V and Mrs V. And while they may not have contained the level of detail Mr V and Mrs V were expecting, I haven't seen anything in the email correspondence to show that this was raised with C. Instead, the communications appeared to be focused on whether a cash settlement would be accepted instead of the works being completed. And it seems to me that Mr V and Mrs V prevaricated on agreeing to the scope of works as they believed that it had omitted significant elements that they expected their policy to cover.

I've considered the insurance schedule and policy terms and note that page 3 of the insurance schedule shows that cover for landlord's contents, was not selected by Mr V and Mrs V. Therefore, no cover is available under that policy for the contents, as C and their

insurance broker explained. With regard to the storage of contents, Mr V and Mrs V's broker explained that storage of contents would only be included in a residential property policy, not in a business insurance policy. Again, if Mr V and Mrs V remain unhappy about this they will need to take their concerns up with their insurer. Their broker also confirmed that no cover would be provided in relation to damaged glass as that wasn't related to the escape of water claim.

With regard to the allegation that de-humidifiers hadn't been provided and no assistance with the claim had been given, C said that they were not able to provide any physical solutions such as de-humidifiers until such time as that was agreed by the insurer via their loss adjuster, so that was outside of their control. I note that de-humidifiers were referred to in the quote / scope of works from C's contractor. Unless Mr V and Mrs V were willing to pay for the installation of the de-humidifiers before the basis for settling the claim had been agreed (which I've seen no suggestion of) then C was correct in saying it was an issue for the insurer and their loss adjuster to answer.

Finally, I've reviewed the Terms of Business Agreement in relation to Mr V and Mrs V's concern about the fees C has charged them. I note at paragraph 3.3 the terms say:

'There will be no fees charged to You in respect of the Reinstatement Works or any goods or other services supplied to You under this Agreement, except in the following circumstances:

b. You elect to cancel this Agreement....in which case you may be responsible for any costs incurred;

c. ...You decide not to engage C (through its Contractors) to proceed with the Reinstatement Works.....in which case You shall be liable to pay to C the cost of any Services and any goods supplied up to the point of cancellation or termination.....'

I think it was therefore made clear to Mr V and Mrs V that they would be charged a fee if they chose not to use C's contractors to carry out the works. I haven't seen a document that sets out what the agreed fees were, but I think, on the basis of this paragraph, it was fair for C to charge Mr V and Mrs V a reasonable fee for the services they'd provided.

Taking account of the above, I don't find that C has provided a poor service or caused any unavoidable delays in assisting Mr V and Mrs V with their claim. I therefore don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs V to accept or reject my decision before 23 April 2024.

Carolyn Harwood
Ombudsman