

The complaint

Ms V complains about how Morgan Clark Ltd handled her claim on her home insurance policy.

What happened

Ms V had a home insurance policy to cover the property she lives in. In January 2022 there was an escape of water at her home and she made a claim.

However she was unhappy with how her insurer's contractors were dealing with the claim. So in February 2022, she appointed her own loss assessor to take over the management of it – Morgan Clark.

Morgan Clark suggested a contractor to carry out the required repairs, I'll refer to them as "B". Over the months that followed, B carried out the repairs and Ms V's insurer made payment for these as invoices were presented. Final payment for the claim was issued by the insurer on 10 October 2022.

Ms V was unhappy with the standard of work B had carried out and how they'd treated her. In particular:

- The replacement laminate flooring B laid had a bounce to it and other flooring experts who inspected it said the sub-floor should have been levelled before it was laid.
- B damaged two blinds while they were carrying out the work.
- Ms V heard B talking about her paint choice in a disrespectful way and admitting they hadn't primed the walls correctly before painting them.
- B had cut the architraves too short and there was now a gap between them and the flooring so they needed to be replaced.
- When Ms V turned the heating on again after the work she found her radiators weren't working and required a power flush before they would work again.
- Ms V felt B had been generally unhelpful and taken a long time to address her concerns when she raised them.

She made a complaint and while Morgan Clark didn't uphold it, it offered £2,500 towards getting the flooring rectified as a gesture of goodwill. Unhappy with this Ms V brought her complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. She thought Morgan Clark should relay the flooring and level the underfloor before doing so. She said Ms V should source two quotes for the required work and it will choose one to pay. Ms V didn't agree with our investigator's outcome. She said she'd find it hard to know where to source contractors from. And she didn't think our investigator had considered the impact

B's poor service had had on her. She asked for the complaint to be reviewed by an ombudsman.

On 14 August 2023 I issued a provisional decision, which stated as follows:

'Our jurisdiction

Before I consider the merits, I need to be clear about what I can and can't look at as part of this complaint. Firstly, this service can only consider complaints about businesses carrying out activities that are regulated by the Financial Conduct Authority (FCA). A loss assessor can carry out the regulated activity of "assisting in the administration and performance of a contract of insurance".

However this can only be carried out while the claim is in the process of being considered and settled. Once the claim is settled by the insurer, then the contract of insurance has been fulfilled, which means any activity the loss assessor carried out after this point isn't considered a regulated activity. Therefore this service only has the jurisdiction to consider a loss assessor's actions up until the claim is settled. In this case the insurer has confirmed it issued the final cash settlement for the claim on 10 October 2022. So I can only consider Morgan Clark's actions up until this date.

Having reviewed the timeline of events, it appears that most of the errors and omissions that Ms V has complained about happened before the final payment was issued by the insurer. So I can consider most of her complaint. However when it comes to considering the impact of Morgan Clark's actions, I won't be able to consider any further actions past this date.

Repairs

While Ms V has been unhappy with a number of repairs carried out by B, it seems the only issue that remains outstanding is the flooring.

There have been two expert reports carried out to comment on the flooring and both have concluded that in order to achieve a good finish, the sub-flooring should have been levelled. So I'm persuaded that this is the reason why Ms V's floor is bouncing.

I note Morgan Clark's comments that the sub-floor hasn't been damaged by the insured peril, and instead this was a pre-existing issue with the sub-floor. And I don't disagree.

However when contractors carry out a repair, this service would expect this to be both effective and long lasting. And we understand that sometimes, in order to achieve this, additional work needs to be completed that wouldn't be covered under the insurance policy. And we will sometimes consider it fair and reasonable for a contractor to carry out this work so that the repair is of a good standard.

I think this applies here. While I agree levelling the sub-floor isn't work that was required as a result of the insured peril. Based on the two reports on file, it's clear that it is required in order for the floor to be effectively re-laid. I therefore think Morgan Clark should cover the cost of this on top of relaying the floor.

Ms V has said she may find it hard to find a contractor who will carry out the work on the floor, as she doesn't have any contacts in this area. I agree this would be more difficult for her.

Morgan Clark will likely have a number of different contacts who would be able to complete this work. And while I appreciate its comments about only introducing Ms V to B, ultimately it

took on the project management of the claim and repairs. And these have been carried out poorly. So I think it fair that Morgan Clark take responsibility for ensuring an appropriate fix. I therefore think the fairest resolution is for Morgan Clark to select two contractors –other than B – to lift the flooring, level the sub-floor and relay it to a good standard. Ms V can then choose which of the two she would like to complete the work.

If Ms V is uncomfortable with Morgan Clark appointing a contractor then she can choose to appoint her own to quote for the work. And Morgan Clark should pay the amount on receipt of a quote for the work. However this should be Ms V's choice.

There is some disagreement about whether the flooring should be laid up to the kitchen units or under them. As I'm not an expert in this area, it isn't for me to decide what method should be used. Instead the appointed contractor should determine what the most appropriate method would be, that will produce an effective and long-lasting repair.

Service

From looking at the correspondence provided, I can see that this has been a very difficult claim for Ms V. She originally appointed Morgan Clark because she'd been unhappy with her insurer's handling of the claim. And once she did, things didn't go smoothly.

There has been a number of bits of the repairs that have had to be redone – including the flooring, painting and changes to the architraves. And during the work her blinds have been damaged and had to be replaced. I can see Ms V has reported this poor work as it has happened, but Morgan Clark haven't always been proactive in getting the issues resolved promptly. And it has taken many emails from Ms V to resolve things.

Further, Ms V has explained that she captured footage of B talking in a disrespectful way about her paint choices and admitting they hadn't done enough to prime the surface before painting. This would have been particularly distressing during an already stressful claim. Ms V has explained that she suffers from depression and has found the claim difficult to manage. So I understand the impact of Morgan Clark and B's poor handling has been greater because of this.

Due to this, I'm minded to direct Morgan Clark to pay Ms V £500 compensation to apologise for the distress and inconvenience it has caused due to the poor handling and service up until 10 October 2022.'

Response to my provisional decision

Morgan Clark responded to my provisional decision to say that while it didn't agree that it should cover the cost of levelling the flooring, in order to not delay matters further it would accept my provisional findings.

Ms V responded to confirm she also accepted the decision. And would like to obtain her own quote for the work, rather than ask Morgan Clark to do so.

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 accepted the outcome laid out in my provisional decision, I see no reason to depart from this. While Ms V has indicated that she wishes to obtain her own quotes, I have still included both options, as I did in my provisional decision, in case she

changes her mind.

My final decision

For the reasons I've given, I uphold Ms V's complaint and direct Morgan Clark Ltd to resolve the complaint as follows:

- At Ms V's selection, Morgan Clark should either carry out, or pay for taking up the flooring, levelling the subfloor and relaying the floor. Ms V should choose which of the following options she is comfortable with and Morgan Clark should settle the claim based on her selection:

Either

- Morgan Clark selects two contractors to carry out the work and Ms V chooses which of the two she would prefer.

or

- Ms V appoints her own contractor to quote for the work and Morgan Clark pays Ms V for this, on receipt of proof of the cost.
- The contractor appointed to carry out the work should decide whether the floor should be laid up to or under the kitchen units, based on what will produce an effective and long lasting repair.
- Morgan Clark should pay Ms V £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 3 October 2023.

Sophie Goodyear
Ombudsman