

## **The complaint**

Mr K complains about how QIC Europe Ltd (QIC) dealt with a claim under his home insurance policy for damage from a burst pipe at his property.

QIC use agents to administer the policy and to assess claims. Reference to QIC includes these agents.

## **What happened**

In February 2022 a pipe burst in the loft of Mr K's property. He contacted QIC to tell them about the burst pipe and lodge a claim. QIC appointed a surveyor (S) to visit the property and inspect the damage. Mr K received a message to say S would be in contact within seven working days, but the visit was scheduled for late March, due to QIC dealing with large numbers of claims (the incident was around the time of Storm Eunice).

S visited towards the end of March, following which a drying process was carried out, signed off as complete at the beginning of May. Mr K was then told by QIC they weren't able to arrange for contractors to repair the damage because there were none available in his area. QIC asked him to provide two quotes for the repair work from local contractors. However, the quotes were significantly higher than QIC thought reasonable compared to their own scope of works (£40,250 and £49,650 compared to £11,222 respectively). So, they asked their regional surveyor to review them. During this time, a QIC contractor (H) became available. H visited the property to assess the work needed, but their scope of work was significantly greater than S's scope of work.

Given the differences, a joint visit by H and regional surveyor took place at the start of July, following which the scope of works was finalised. Mr K contacted QIC to ask about a cash settlement, but the figure from QIC wasn't sufficient to engage his own contractors, so the repair work remained with H.

The work began in September, but further work was needed to add to the scope of work, which were approved by QIC at the end of October. A further visit to the property by the regional surveyor took place at the beginning of January 2023, after which a revised scope of work was provided by H and approved by QIC. This took longer than usual due to a significant number of claims for damage from bad weather in December 2022.

While the repair work had started, Mr K wasn't happy at the time being taken, the standard of the work and things he thought should be included within the scope of work which weren't being carried out. So, he complained to QIC in December 2022.

QIC accepted there had been delays and awarded £250 compensation for the delays in 2022. However, there were further delays and Mr K was unhappy at the repair work extending into 2023. He was also unhappy at the performance of H and what he thought was damage they'd caused to his car and a door at the property.

So, he complained to this Service (June 2023). He said his property still wasn't reinstated, some 18 months after the incident. He raised four specific concerns. First, the slow pace of work and some work not being carried out. Second, QIC saying they wouldn't cover

replacing or cleaning the stair carpets, which Mr K said were damaged by the burst pipe. Third, he thought QIC's contractors had scratched his car and, fourth, damaged a door. He wanted QIC to inspect his property and consider the issues he'd raised.

The situation was affecting his physical and mental health. He wanted QIC to apologise and to either complete the work or allow him to engage his own builders to complete it. He also wanted compensation for how QIC had acted towards him (not responding to his messages, being inconsistent and the delays assessing the claim and carrying out the work).

Following his complaint to this Service, QIC offered a further £350 compensation for delays that occurred from January 2023 to June 2023, making a total of £600 compensation.

Our investigator upheld the complaint, concluding QIC should pay Mr K a total of £750 in compensation, so an additional £150 to the £600 from QIC. QIC acknowledged delays from needing a regional surveyor and an increase in the number of claims they were dealing with in Winter 2022. The investigator thought there were significant delays in March, May, and from October to December 2022. And the work still hadn't been completed at the point Mr K complained to this Service. And Mr K had said he'd been left in a waterlogged property with non-working electrics.

Both Mr K and QIC disagreed with the investigator's view and asked that an ombudsman review the complaint.

Mr K disagreed with the investigator's view on the level of compensation for distress and inconvenience. The delays and what he considered QIC's inconsistency and backtracking should mean a far higher level of compensation given the effect on his health and job and the time he'd spent dealing with QIC on the issues he'd raised.

QIC disagreed Mr K was left in a waterlogged house as drying work in April 2022 led to the property being declared dry at the start of May 2022. Nor did they think there were issues with the electrics at the property. They thought their offer of compensation was fair for the delays Mr K experienced. And the nature of the incident and claim inherently meant some distress and inconvenience.

### **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.

My role here is to decide whether QIC has acted fairly towards Mr K.

The key issue in Mr K's complaint is the time taken to carry out repairs to his property following the burst pipe. He says the work hadn't been completed some 18 months after the incident. QIC acknowledge there have been delays and they've awarded what they think is a fair level of compensation for the delays. Mr K doesn't think the compensation awarded by QIC, or that in our investigator's view is sufficient, given the impact on him.

Mr K also raised specific concerns in his complaint regarding the stair carpets at his property, together with what he says was damage caused by QIC's contractor to his car and a door. While Mr K has raised these specific issues, from the information and evidence provided in this case it's not clear that these issues have been considered by QIC or included in a final response. And in respect of the damage Mr K say was caused by Mr K, it's also not clear these would be the responsibility of QIC, rather than issues Mr K would need to pursue with the contractors directly. And in the absence of any evidence or information other than what Mr K has said about the damage, I can't reasonably reach a conclusion or hold QIC responsible for any damage that may have occurred.

Coming back to the main issue, the time taken and the delays in assessing the claim and carrying out the repair work, I've looked carefully at the sequence of events and the timeline set out above.

There was a delay from the initial notification of the incident to the initial visit by S. QIC refer to the volume of claims received at the time, being when Storm Eunice happened. So, I think the delay was understandable, although I appreciate it would have been frustrating to Mr K.

I also think the non-availability of contractors Q could appoint to carry out the work was also likely to have been affected by the volume of claims (and associated repair work) following Storm Eunice. So, it was reasonable for QIC to ask Mr K to provide two quotes from local contractors. The quotes were dated towards the end of April 2022 and given how much higher they were compared to S's assessment, I don't think it unreasonable for QIC to have asked their regional surveyor to review them alongside H's scope of work. However, there was a delay until the visit by the regional surveyor and H at the start of July 2022.

And then a further delay while the scope of work was finalised and H beginning the repair work (August/September 2022). And further time taken assessing and approving changes to the scope of work (October 2022).

Thereafter, I haven't seen any detailed information or evidence about the progress of the work or concerns Mr K had with its standard or quality, so I can't reach any conclusions on this aspect. But Mr K complained to QIC in December 2022. I haven't been provided with a full copy of any final response issued by QIC to the complaint, other than an extract of a response from QIC's online portal. This only refers to a resolution being provided (but not the detail of any resolution). But from what QIC have said, it appears the resolution was the initial award of £250 compensation for delays that occurred in 2022.

Turning to the period from January 2023 to June 2023, QIC refer to a large number of claims following bad weather in December 2022 that affected the revised scope of work following the further inspection by the regional surveyor in January 2023. So, the contractor had to revise their lead times. But QIC acknowledge further delays, offering a further £350 in compensation.

However, while the scope of the work required to reinstate Mr K's property was extensive – I've seen reference to all rooms at the property being affected apart from one – at the time Mr K brought his complaint to this Service in June 2023, the work still hadn't been completed. Which is 16 months from the date of the incident. While the extent of the damage and the consequent reinstatement work would always have meant the work would have taken time, once drying was complete, I think it reasonable to conclude the work should have been completed much sooner than it has. And this means significant distress and inconvenience to Mr K.

Having reached these conclusions, I've considered the issue of compensation, which is the key area of disagreement from both Mr K and QIC in response to our investigator's view. I thought about this issue in the light of the sequence of events and timeline set out above, against the published criteria from this Service about our approach to awards of compensation for distress and inconvenience.

It's clear Mr K has experienced considerable distress, upset and worry and significant inconvenience and disruption. Lasting over many months more than I think it should from the delays set out above. I've also taken account of the point that the extent of the reinstatement work needed to make good the damage would necessarily mean considerable disruption and inconvenience, particularly given how much of the property was affected (the leak

occurred in a bathroom in the converted loft of the property, causing ceiling collapse on the two floors below). I've also considered what Mr K has told us about the impact it has had on him, which I recognise would have been considerable.

Taking all these factors into account, in the circumstances of this case, I think £750 in compensation for distress and inconvenience would be fair and reasonable.

My understanding is that QIC Europe Ltd have already paid Mr K the initial £250 they awarded, for delays in 2022. If that is the case, they should also now pay the additional £350 they offered for delays in 2023 as well as the £150 to bring the total compensation to £750. So, a further payment of £500.

### **My final decision**

For the reasons set out above, it's my final decision that I uphold Mr K's complaint. I require QIC Europe Ltd to:

- Pay Mr K an additional £150 in compensation for distress and inconvenience, in addition to the total of £600 awarded by QIC Europe Ltd.

My understanding is that QIC Europe Ltd have already paid Mr K the initial £250 they awarded, for delays in 2022. That being the case, then they should also now pay the additional £350 they offered for delays in 2023 as well as the £150 set out above, to bring the total compensation to £750. So, a further payment of £500.

QIC Europe Ltd must pay the compensation within 28 days of the date on which we tell them Mr K accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 December 2023.

Paul King  
**Ombudsman**