

The complaint

Mrs A complains about QIC Europe Ltd's handling of her home insurance claim.

QIC is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As QIC has accepted it is accountable for the actions of the agents, in my decision, any reference to QIC includes the actions of the agents.

What happened

In around May 2022, Mrs A made a claim under her home insurance policy with QIC after her bathroom and kitchen were damaged by an escape of water.

QIC arranged for a surveyor to attend Mrs A's property to inspect the damage. QIC says it didn't have any contractors available to complete the repairs, so it offered Mrs A a cash settlement. It asked Mrs A to provide quotes from two contractors for its review.

QIC thought the quotes Mrs A provided were far too high and included work that wasn't covered by the claim. QIC then found that one of its contractors was available so it instructed them to carry out the work.

Mrs A raised several concerns about QIC's handling of her claim. She was unhappy that it wouldn't agree to replace her bathtub and wall tiles which were damaged. She also complained about delays and poor communication.

In its response to Mrs A's complaint in January 2023, QIC said the damage to the bathtub wasn't covered as cracks would have required force to occur. It said there was no evidence to suggest the damage was due to the escape of water. It said damage to the wall tiles and grouting were pre-existing and excluded under the policy.

Repair works were scheduled to take place in January 2023, but they were delayed until March 2023. QIC says this was because Mrs A couldn't move out of the property on the initial start date. QIC covered the cost of alternative accommodation for two weeks while repairs took place in March.

Mrs A complained about the quality of the repairs whilst they were being carried out and after she returned to the property. She said QIC's contractors had also caused damage to her property.

QIC visited the property in May 2023 and agreed there were a number of snagging issues that needed to be rectified. Alternative accommodation was agreed for Mrs A and her family so that some of the works could be carried out in June 2023.

Mrs A wasn't satisfied that QIC had properly dealt with her concerns, so she asked our service to consider her complaint.

Our investigator thought Mrs A's complaint should be upheld. She didn't think it was unfair for QIC to refuse to cover the cost of a new bathtub or tiles that didn't appear to have been

damaged by the escape of water event. However, our investigator thought QIC was responsible for avoidable delays, poor service and a lack of communication. So, she recommended QIC pay Mrs A £550 compensation for distress and inconvenience.

QIC disagreed with our investigator's outcome. It didn't agree it was fully responsible for a delay in works starting and it disputed there being a delay in a site visit taking place following the initial repairs. It said it didn't agree that the effect of disruption on Mrs A and her family should be a factor in the compensation award because alternative accommodation was to limit disruption. QIC said it thought £350 would be a more appropriate award.

Mrs A also disagreed with our investigator's outcome. She said QIC had known from the start that the bathtub was damaged, but it didn't advise her it needed to be replaced until its third attempt at completing outstanding repairs. She said QIC hadn't given her an explanation about what the contractors were doing while she was in alternative accommodation and why all works were stopped. She also advised us that works rescheduled for October 2023 weren't fully completed and further damage has been caused to her property.

As both parties disagree with our investigator's outcome, the complaint has been passed to me to decide.

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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mrs A has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I understand that Mrs A's claim is still ongoing, and she's made us aware of some other concerns since our investigator issued her outcome to this complaint. I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise.

In this decision, I will only be considering matters Mrs A has raised with QIC that occurred up to the date she referred her complaint to our service, in June 2023. If Mrs A would like our service to consider matters that have arisen after this date, she may be able to bring them to us as a separate complaint.

Damage covered by claim

When a policyholder makes a claim, the onus is on them to show that an insured event most likely caused the loss or damage. If it's established that an insured event caused the damage an insurer can decline a claim if it can show that an exclusion applies, or a condition has been breached.

Mrs A's claim was for damage to her property caused by an escape of water, which is one of the events listed by QIC as being covered.

The surveyor who attended Mrs A's property in May 2022 noted that there appeared to have been an escape of water to the flexi hose to the hand basin. The internal damage summary on the report says:

"The bathroom tiling has cracking in several areas around the toilet and below the vanity basin. The vanity unit has no draw fronts, and there is evidence of water ingress to the drawers."

I understand QIC agreed to cover damage to Mrs A's bathroom and kitchen from the escape of water event.

I can see that Mrs A disputed what was covered in QIC's scope of works in around November 2022. QIC concluded that cracks in the bathtub weren't consistent with escape of water damage and the damage to the wall tiles and grouting was due to wear and tear.

QIC says the cracks in the bathtub would have required force for them to occur. I can see that Mrs A told QIC the bathtub crack happened at the time of the water leakage, and she wasn't aware of any force at the time. However, I haven't seen any evidence to show that the damage to the bathtub or wall tiles was caused by the escape of water. So, I've no reason to doubt the expertise of QIC's surveyor.

I can see that Mrs A suggested her bathtub might be covered by the accidental damage section of the policy.

"Accidental damage" is defined in the policy as:

"Sudden, unexpected and physical damage which:

- i. Happens at a specific time; and*
- ii. Was not deliberate; and*
- iii. Was caused by something external and identifiable"*

Mrs A doesn't appear to have identified a sudden cause for the damage to the bathtub.

As Mrs A hasn't shown that the damage to her bathtub or wall tiles were caused by an insured event, I don't think it was unfair for QIC to conclude that this wasn't covered by her claim.

Delays and customer service

I can see that the repair work was originally scheduled for mid-January 2023, but it needed to be rescheduled to March. QIC says this was because Mrs A wasn't able to move out on the scheduled date. From what I've seen, Mrs A wasn't able to move out of her property in January because alternative accommodation hadn't been arranged.

In early December 2022, Mrs A messaged QIC saying she had the dates for the builders to start work at her home. She said: *"so Alternative accommodation needs to be sorted as we won't have access to bathroom for 1 week. Kindly inform me as soon as possible next steps."*

Two weeks later QIC asked Mrs A to provide it with a quote for accommodation for the period of the repairs. In response Mrs A said she hadn't been told to look for alternative accommodation and questioned why she was having to sort it out.

There doesn't appear to have been any further communication from QIC about the alternative accommodation until more than three weeks later. QIC asked Mrs A to send in one week's accommodation that was within reasonable costs to be reviewed. This message was sent three days before the works were due to start.

It looks like Mrs A managed to find accommodation and uploaded the details the day before the works were due to start. But she then found out it took three to five days to be authorised, so the works had to be cancelled.

I appreciate QIC feels it did enough to make Mrs A aware that she needed to arrange the accommodation herself. I acknowledge that it told her this in mid-December. However, it delayed responding to her query about this for more than three weeks. When it next contacted her about the accommodation three days before the scheduled work, I can't see that it explained the process regarding its approval.

The relevant industry rules require an insurer to provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress. If QIC had communicated more clearly with Mrs A about the alternative accommodation, I think it's likely that the works could have gone ahead in January 2023 as planned, rather than being delayed by almost two months.

QIC has acknowledged that the repairs that took place in March 2023 weren't carried out to a satisfactory standard and damage was caused by its contractors. After a site visit in early May 2023, it agreed that further work needed to be carried out.

Mrs A and her family went into alternative accommodation in June 2023 so some of the further repairs could be carried out. However, QIC wasn't able to complete the planned works because of a second leak. It told Mrs A she would need to arrange for her bathtub to be replaced. Mrs A has questioned why QIC didn't tell her this before the original repairs were carried out.

It's unclear when QIC became aware that damage to the bathtub was causing a leak. However, QIC has offered to reimburse Mrs A for the cost of removing the damaged bathtub and replacing it with a new one, even though this wasn't covered by the claim. I think this was reasonable.

I appreciate that some of the delay in progressing Mrs A's claim was beyond QIC's control. However, I think QIC was at least partly responsible for the delay in the initial works being carried out because of its poor communication with Mrs A. There have been several other occasions during the progress of Mrs A's claim that QIC has delayed responding to her which was no doubt frustrating for her.

There were a number of issues with the quality of the repairs carried out by QIC's contractors in March 2023, who also caused damage to items in Mrs A's home. This further delayed the conclusion of Mrs A's claim. If effective repairs had been carried out to begin with, Mrs A and her family might not have needed to move out of their home again. I appreciate QIC agreed to cover alternative accommodation costs for Mrs A to try to minimise disruption while work was being carried out. However, I don't think this was enough to compensate her for the impact of having to move out of her home, with three young children.

I think the poor quality of repairs and damage caused by QIC's contractors, along with the poor communication and delay in progressing her claim, have caused Mrs A unnecessary distress and inconvenience. Having considered the impact of QIC's poor service on Mrs A up to mid-June 2023, I think £550 is reasonable compensation.

Putting things right

QIC should pay Mrs A £550 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mrs A's complaint and direct QIC Europe Ltd to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 8 December 2023.

Anne Muscroft
Ombudsman