

The complaint

Miss K is unhappy with the delays caused by Advantage Insurance Company Ltd (AIC) failing to progress her claim.

What happened

Miss K had home insurance underwritten by AIC. She made a claim under her policy when an escape of water damaged her home. AIC accepted the claim and arranged for alternative accommodation while Miss K's home dried out ready for repairs.

However, Miss K became increasingly upset by the time taken to progress her claim, and AIC's failure to respond to her communication. She raised a complaint.

AIC apologised to Miss K after realising it had closed the claim in error. It offered £185 by way of apology. But Miss K wasn't happy with its offer. That's because work still didn't progress as it should've done, and she didn't think the sum AIC offered adequately addressed the fact that she'd not been able to live in her own home for longer than necessary.

AIC offered to increase the compensation, but Miss K remained unhappy and brought the complaint to us.

Our investigator didn't think AIC's offer was enough in the overall circumstances. She explained that the effect on Miss K of being away from home was greater than AIC had appreciated, so our investigator recommended an increase to £500 in total.

Miss K still didn't think it was enough, so the complaint was 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 decided to uphold Miss K's complaint for broadly the same reasons as our investigator. However, although I realise Miss K will be disappointed, I won't be asking AIC to pay more than £500 compensation. I'll explain why.

When I looked at the evidence, I concentrated on identifying where Miss K experienced more inconvenience and upset than she might otherwise have done if AIC had handled her claim better. Then, I thought about whether the compensation proposed was reasonable in those circumstances.

The escape of water caused damage to Miss K's home which meant she had to cancel plans over the festive season and move into alternative accommodation while her home dried out. This was undoubtedly disruptive for her but at this point the disruption was caused by the escape of water, not by AIC.

AIC certified Miss K's home had dried out by mid-February, so I'd have expected AIC to

progress the claim. Instead, AIC mistakenly closed the claim.

It wasn't until mid- to late-April when AIC realised its mistake and re-opened the claim. So, I'm satisfied that was around two months of avoidable delays.

If work had started at this point, further avoidable disruption could have been prevented. But the evidence shows that two more months of delays followed, caused by communication problems between AIC and its agents. Some minor delays are understandable but, given the mistakes already made, I'd have expected AIC to make sure Miss K didn't experience further avoidable delays.

It was at this point AIC issued its final response to Miss K's complaint, so I haven't considered anything that happened after June 2023. In summary, the evidence indicates that Miss K experienced a total of four months of avoidable delays. That also means she was away from her own home for around four months longer than necessary. Given the circumstances she's described, I can understand that Miss K would've found that difficult, so I've taken that into consideration when deciding on the amount of compensation warranted.

As well as the delays, Miss K says AIC failed to respond to her on many occasions, didn't make the calls it promised to, and failed to respond with any urgency when she expressed her concern about the delays. Thinking specifically about the first two months of delay, I can understand why Miss K found this distressing. Nothing was happening with her claim, she couldn't move back home, and no one from AIC was communicating with her. The evidence indicates that AIC let Miss K down here.

Returning now to the issue of alternative accommodation, I said it was the escape of water that meant Miss K had to move out of her home. To begin with she stayed with family, after which AIC sourced accommodation. The evidence shows that Miss K accepted the accommodation, and she was fully aware of the property description. AIC said limited properties were available and the policy doesn't require it to source a like-for-like property. I accept that. However, the complaint here is that Miss K needed to stay in the temporary accommodation for a lot longer than she should've done because of AIC's service shortfalls.

Miss K didn't think £500 compensation was enough for the nine months she was unable to live at home. When broken down to a daily rate, she said it didn't meet her expectations considering the delays and constant chasing she'd had to do.

I'm sorry to hear about the effect AIC's mistakes had on Miss K and that it meant she needed to live away from her home for longer than necessary. That can't have been easy. But I must bear in mind that the initial disruption was caused by the escape of water and, once the claim was back on track, the repair work would've always taken the time it did regardless of the delays in between. I can only fairly hold AIC responsible for the additional, avoidable disruption it caused. In light of the overall inconvenience, upset and delays during the four months when the claim didn't progress as it should have, I'm satisfied that £500 compensation is fair and reasonable.

Finally, I understand that the claim wasn't finalised when Miss K brought her complaint to us, and she has further concerns. My remit is to address the complaint up to the date AIC issued its final response, so it wouldn't be appropriate for me to comment on additional issues. If Miss K remains unhappy with how AIC continued to handle her claim, she'd need to raise that with AIC directly in the first instance.

My final decision

For the reasons I've given here, my final decision is that I uphold Miss K's complaint and

Advantage Insurance Company Ltd must:

- pay Miss K a further £315 compensation, bringing the total to £500, for the service shortfalls in handling her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 November 2023.

Debra Vaughan
Ombudsman