

## **The complaint**

Mr S and Miss W complain about Accredited Insurance (Europe) Ltd's handling of their home insurance claim.

Mr S and Miss W are joint policyholders. As most of the communication relating to the complaint has been from Miss W, I'll refer mainly to her in my decision.

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

## **What happened**

In December 2022, Mr S and Miss W made a claim under their home insurance policy with Accredited after an escape of water caused damage to their home and contents. Accredited instructed a claims management agent to deal with the claim.

Miss W says she was initially told the agent would be in touch within five working days, but this changed to seven working days when she was sent a message on the claims portal.

Mr S and Miss W were concerned about leaving the property with wet furnishings in it for an extended length of time over the Christmas period. They say Accredited agreed they could remove items and take photographs.

Miss W says Accredited told them it didn't help with humidifiers, so they had to borrow drying equipment. They also had to arrange their own skip and clear the damaged furniture and carpets themselves.

Accredited's surveyor visited the property around three weeks after Mr S and Miss W made their claim. Accredited told Miss W it wasn't able to provide a contractor to carry out the repairs. So, Mr S and Miss W had to find their own tradesmen to do the work.

Mr S and Miss W were made a cash settlement offer for the internal damage to the building, which was increased significantly after they disputed the amount.

Mr S and Miss W uploaded a list of damaged contents onto the claims portal in mid-January. Around six weeks later, they were offered a cash settlement for their contents which was much lower than they were expecting. They were told that this was mostly because there was no evidence of damage.

Mr S and Miss W raised a complaint with Accredited about the service they'd received throughout the claim. They were particularly concerned that the contents side of the claim hadn't been resolved. They said they had uploaded many well labelled photographs to show the items they were claiming for. They felt the lack of evidence was the fault of Accredited who did not attend the claim site soon enough and they were being penalised for doing their best to protect their health and property from further damage.

Accredited apologised for poor communication and delays in the progress of Mr S and Miss W's claim. It said its surveying team were still in the process of settling the contents side of their claim and had been asked to get it sorted as soon as possible. It said it wasn't convinced that all the delays were avoidable, but it would like to offer Mr S and Miss W £200 for distress and inconvenience.

Mr S and Miss W remained unhappy and asked our service to consider their concerns.

Our investigator thought Accredited's settlement offer for a number of items was fair. She recommended Accredited review some of the other items claimed for. She didn't think Accredited needed to compensate Mr S and Miss W for the time and effort they'd spent sorting out repairs and making their complaint. But she recommended that Accredited pay them a further £200 for distress and inconvenience because it's initial scope of works (for the building repairs) wasn't correct.

Miss W disagreed with our investigator's outcome. She didn't think the amount our investigator had recommended was enough to compensate them for the lack of service they'd received from Accredited. She said it didn't help them source or provide them with dehumidifiers. She also thought she and Mr S should be compensated for the three days they'd spent working in the dark, with no heating to clear their contents from the property. She said they didn't get a proper service in the first place which had led to debates about contents and prices.

As Miss W disagrees 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 Miss W 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.

### **Buildings settlement**

The policy's terms and conditions set out how Accredited will settle a claim under buildings cover. They say:

*"If we cannot offer rebuilding work, repairs or replacements (as defined by us) through our preferred contractor, we will pay you:*

- a. Fair and reasonable costs to have the work carried out by your chosen supplier; or*
- b. The amount by which the buildings have gone down in value as a result of the damage; whichever is lower."*

I understand Miss W and Mr S wanted Accredited to arrange for the repairs to be carried out by one of its preferred contractors. But Accredited says it didn't have any available contractors in their area, so it had to offer them a cash settlement. I appreciate this was disappointing for Miss W and Mr S, who had to arrange for the work themselves and this took up a lot of their time. However, the policy's terms and conditions allow Accredited to settle a claim by cash. So, I can't say it's acted unfairly here.

## Contents settlement

The policy's terms and conditions say how Accredited will settle contents claims. They say:

*"We can choose to settle your claim by:*

- a. repairing or reinstating the item; or*
- b. replacing the item as new; or*
- c. paying you the cash equivalent.*

Where possible we will repair your item..."

They also say:

*"You must not destroy or get rid of any damaged items without our agreement, as we may need to inspect them."*

Miss W says that when she logged the claim, she was told they should try to leave things in the property. She says she explained this was not possible as five working days took them through the Christmas holidays and the house needed urgent attention due to the extent of the flood. She says she was told to take pictures of the wet contents.

Accredited says it's been unable to locate the call where this was discussed. So, I don't know exactly what was said about this at the time.

I understand it was frustrating for Miss W to later be told that she'd breached a policy condition by getting rid of damaged items without Accredited's agreement. However, I haven't seen strong enough evidence to conclude that she was told Accredited would replace damaged items if she disposed of them.

Our investigator explained why she thought Accredited had fairly valued a number of items and I've reached the same conclusions on these. As Miss W hasn't disputed our investigators findings, I haven't found it necessary to provide further comment on these.

Accredited has said it would be willing to review a settlement for replacing the bookcase, ottoman and pine bookcase if Miss W and Mr S are unable to get these restored. I think this is fair.

Accredited has agreed with our recommendation to review its offer for the sofa and matching recliner chair with the view to increasing this part of the settlement. It's also agreed to review Miss W and Mr S's claim for the digital box and DVD player with a view to include the costs of replacing these in the settlement offer.

Accredited has also agreed to pay £17 for the standing lamp and pay the amount on the quotes Miss W has provided for the carpet replacement. I think this is reasonable.

## Customer service and delays

Miss W and Mr S discovered the leak on 20 December 2022 after returning home from abroad. They telephoned Accredited that evening and called back to log their claim the following day.

Accredited says it wasn't able to get anyone to visit the property until 3 January 2023 and the earliest a surveyor could attend was 9 January. This was because of a high influx of claims and the bank holidays.

I appreciate it was frustrating for Miss W and Mr S that Accredited wasn't able to get anyone around sooner. However, I think much of this delay was beyond Accredited's control and I don't think the delay was unreasonable, given the time of year.

By the time Accredited visited the property, Miss W and Mr S had cleared the contents from the rooms and stripped the wallpaper, flooring and carpets. They'd also borrowed dehumidifiers as these hadn't been supplied by Accredited.

I understand that Miss W and Mr S decided to carry out this work themselves because they were concerned about further damage to their property. I appreciate this took a lot of their time and effort. However, I can't tell Accredited to compensate them for the work that they did. Miss W and Mr S have confirmed that Accredited has reimbursed them for the cost of hiring a skip and additional energy usage which is what I'd expect it to do under the circumstances.

Accredited has acknowledged delays in responding to Miss W's messages on the online portal and has apologised for the lack of communication. It offered Miss W £200 for distress and inconvenience caused by this and the avoidable delays.

I think Miss W and Mr S were caused some unnecessary frustration and inconvenience because of Accredited's initial low offer for the buildings settlement. This was increased significantly after Accredited arranged for a second surveyor to visit the property. I understand Miss W and Mr S spent a lot of time and effort obtaining quotes and writing a report to challenge the initial offer.

It took Accredited around six weeks to offer Miss W and Mr S a settlement after they'd submitted their contents list and the amount offered was much lower than they were expecting. Miss W feels that this would have been resolved more quickly if they'd been given a better service at the beginning of the claim.

I think there were some avoidable delays in progressing the claim and Accredited's communication with Miss W could have been better. However, I can't tell Accredited to compensate Miss W and Mr S for any distress arising from the incident itself or the time and effort they put into dealing with their claim.

Escape of water claims usually take some time to resolve. I can only award compensation for distress and inconvenience Accredited has caused which is over and above what we would usually expect from this type of claim.

Accredited has agreed to pay Miss W and Mr S a total of £400 compensation. This is in line with what our service would typically award where the business's actions have caused a consumer considerable distress, upset and worry and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. So, while I know this will be disappointing for Miss W and Mr S, I'm not persuaded to increase this.

### **Putting things right**

Accredited should:

- Pay Mr S and Miss W £200 for distress and inconvenience, in addition to the £200 it had already offered them.

- Add £17 to the contents settlement for the standing lamp.
- Pay the amount quoted for the carpet replacement.
- Review the settlements for the DVD player, digital box, sofa and matching recliner.
- Review the settlement for the bookcases and ottoman if Mr S and Miss W are unable to get these repaired and settle these items in line with the policy's terms and conditions.

### **My final decision**

For the reasons I've explained, I uphold Mr S and Miss W's complaint and direct Accredited Insurance (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 Mr S and Miss W to accept or reject my decision before 27 December 2023.

Anne Muscroft  
**Ombudsman**