

The complaint

Mr A has complained about the way in which QIC Europe Limited ('QIC') handled a claim under his home insurance policy following a fire at his home.

For the avoidance of doubt, the term 'QIC' includes its agents, loss adjusters and contractors for the purposes of this decision letter.

What happened

Mr A took out his home insurance policy with QIC in January 2022. Unfortunately, Mr A's property was very badly damaged in a fire in April 2022 and most of the contents and personal belongings were ruined. The damage included destruction of the roof, and ceilings had collapsed into the rooms and water had poured into the ground floor rooms. The fire had been caused by faulty solar panel equipment. Mr A promptly reported the matter to QIC and QIC accepted the claim.

Mr A complained to QIC that his claim was taking too long to progress, that QIC's communications had been poor, and it hadn't provided adequate updates. He considered that the alternative accommodation he'd found wasn't suitable for long-term occupation. He also considered that QIC's offer to settle the contents portion of the claim for £35k was inadequate. QIC offered £200 in compensation for certain delays but didn't think that it had acted in an unfair or unreasonable manner regarding its settlement offer for the contents or in relation to alternative accommodation.

Mr A was unhappy with the outcome of his complaint to QIC, and he therefore referred his complaint to this service. The relevant investigator upheld Mr A's complaint. She appreciated Mr A's frustration as he wanted to return to his home and the claim had taken some time. However, she stated that unfortunately this type of claim could be lengthy. She didn't uphold the complaints regarding the alternative accommodation and the contents. However, she considered that QIC had caused claim and administrative delays and recommended that QIC pay Mr A £325 in compensation. QIC has since agreed this amount.

Mr A remained unhappy with the outcome of his complaint. The matter has therefore been referred to me to make a final decision in my role as Ombudsman. In September 2023, I issued a provisional decision for this complaint and explained why I was minded to uphold Mr A's complaint as follows; -

'The key issue for me to consider is whether QIC has treated Mr A in a fair and reasonable manner in its handling of his claim. My provisional conclusion is that it hasn't acted in a fair and reasonable manner in all respects. I'll explain why. In reaching this provisional decision I've also considered the submissions of the parties as summarised below.'

Mr A described the devastating impact of the fire at his home. His complaint revolved around what he considered to be avoidable delays in progress and felt that it had taken QIC 16 to 17 months to get something in place. He said that the initial promise by QIC was that he'd be back in his home by Christmas 2022. He still had to pay a mortgage on somewhere he couldn't live. QIC had eventually arranged for contractors to start work 'with some bits of

wood for a roof but no tiles' in May 2023, with the property still open to the elements. Mr A was then told that it couldn't get materials such as plaster, windows, and doors. He thought that it would be another 17 months before he'd be back in his home.

Regarding QIC's argument that it found asbestos which delayed putting a roof on, he said that the adjoining property had to have its roof replaced due to the fire, but no asbestos was found on that adjoining roof. Mr A also referred to a 'mix up' regarding a local authority fee of just under £500. QIC's agent had said the local authority was holding up a permission even though the contractors were in place, whereas the authority was simply awaiting payment of the fee and the roofing could have commenced 48 hours later. Mr A paid this sum himself at the beginning of March 2023. Mr A then rang the claims handler 12 times but still no work was carried out and he was reimbursed for the payment at the end of April 2023.

Mr A said that a claims handler was allocated to the claim, however every time Mr A rang for updates, he hadn't been able to contact him. He said he spoke to different QIC representatives who said the claims handler would be in touch. He'd been awaiting a call 'for quite a few months now.' However, Mr A said he heard about matters such as delivery of materials to his property from neighbours rather than from QIC. Mr A said that it was bad enough losing all of his treasured memories such as photographs, but he said that the insurance episode was now seriously affecting his, and his partner's mental health. He said; 'Surely having building and home contents insurance we should be helped and not ignored.'

As to the contents of the property, Mr A said that the cost of most items had increased immensely. With regard to certain personal and household items, Mr A said that these were very expensive and were presents from family over the years. He said he was never given the opportunity to salvage them 'and would love to know what happened to them.'

As to alternative accommodation, Mr A and his partner initially went to stay with a relative. He then sourced a one-bed bungalow as it was on a month-to-month basis, until QIC could find them a three-bedroom property, so they could accommodate the grandchildren at weekends. Mr A said he'd asked on many occasions on the QIC 'portal' for it to find somewhere more suitable, but this never happened. Mr A acknowledged that QIC sent a link which he said he couldn't open.

I now turn to QIC's submissions regarding this case. As to the length of time it had taken to reinstate Mr A's property, QIC said 'it's fair to say that a claim of this nature will take time to resolve due to the large scale of the works required.' It described the initial steps taken as regards this claim, to include a surveyor's site visits and certain mitigation works which were carried out by the end of May 2022. It said that 'make safe' works were undertaken in June and July 2022 and reference was made to asbestos in the debris. It said the contractor was also tasked with checking permission requirements for the roof in July and that it was necessary to reinstate the roof 'before a full scope of work to reinstate the internal damage at the property can be finalised.'

QIC said that it had to gather information for the local authority and due to the extent of the roofing work required, this took some time to source and prepare. Debris was cleared in September 2022 and a contents list compiled with a contents cash offer made in October 2022. In October and November 2022, contents disposal and environmental clean was carried out. In December 2022, QIC said that the local authority confirmed that a planning application was required for roofing works.

The contractor confirmed that it submitted the appropriate application in early January 2023, however the local authority sent its invoice to Mr A instead of to the contractor. In early March 2023, Mr A confirmed that he'd paid the relevant fee and QIC refunded this in April. The local authority granted approval for the roofing works in April 2023. QIC said the contractor could then book in the work 'but due to their lead times, they could not begin this

work until the first week of June.' It said, 'Once the roofing works are completed, we will look to finalise the scope of work for the remaining reinstatement work that is required, so our contractor can book in a start date for the work.' QIC felt that it had attempted to progress the works as soon as possible and it said that the claim 'was mainly delayed due to the local council building control granting approval for the works

In the meantime, QIC said it reviewed the contents settlement. Due to the extent of the damage to the contents, it offered settlement 'at the value of the contents the policyholder declared when they renewed their policy.' This amount was £35,000. QIC said that it had given Mr A the opportunity to evidence his loss for contents over and above the amount offered in the form of images or invoices and receipts but to date, it hadn't received this. If provided, it said it would be happy to review this settlement further.

With regard to alternative accommodation, QIC stated that at the end of April 2022, Mr A had informed QIC that he had been contacted by someone who had an available property to rent and that this alternative accommodation was agreed. It accepted that Mr A had contacted QIC in mid-May 2022 to advise that he no longer felt the accommodation was suitable as it required cleaning. QIC said that it had provided alternatives to Mr A but that no reply was received and at the end of May 2022 and six-month's worth of rental was paid.

In summary, QIC didn't accept that it was responsible for all delays between January and April 2023. It felt that compensation of £200 would be more appropriate, in light of the reasons it had outlined, although it ultimately accepted the recommendation to pay £325.

Having carefully considered all the available evidence and submissions, the reasons for my provisional decision are as follows. I note that the policy covers the property and contents up to particular values in the event of fire, subject to the usual exclusions and conditions. With regard to alternative accommodation, it states that QIC will pay reasonable and necessary costs of alternative accommodation and any rent which the policyholder may have to pay.

The insured event in this case was a catastrophic fire, which would clearly require very well co-ordinated and planned claims management and reinstatement of the property. This would inevitably be a complex project involving a number of agents and contractors. Looking at the first phase of QIC's response to the event, between the end of April and early July 2022, I consider that the timescales for this response weren't unfair or unreasonable.

By July 2022, QIC had asked its contractors to progress roof fitting and also became aware of the possible presence of asbestos in the debris. It had also realised that it would be necessary to contact the local authority regarding permission requirements for the roof works. In turn, the roof needed to be reinstated before a full scope of works could be finalised for the internal works. However, there is no evidence to demonstrate efforts to contact and diligently progress an application to the local authority between July and January 2023. I consider six months was an unreasonable timescale for submitting such an application. Certain items were progressed during this period, such as arranging quotes, property clearance and eventually asbestos testing and removal, further making safe and scoping of works. I'm persuaded from the available evidence that there was asbestos present in the debris, and I agree clearance of asbestos may have caused some delay to the overall process. However, on a provisional basis, I consider that an application to the local authority regarding the roof should have progressed in parallel with these other work items.

I appreciate that there was then some confusion between January and April 2023 which stemmed from the local authority sending documents and an invoice to Mr A rather than to the contractor. As the local authority fee hadn't been paid due to this confusion, this delayed the issue of the permission. I agree with our investigator in this respect that QIC can't be held responsible for all delays during this period. However, some confusion was caused due

to QIC confirming that the fee had been settled by the contractor. This is likely to have caused a further month's delay. I appreciate that it would then be necessary for works to be scheduled and I can't say that the lead-in time for work to be progressed between April and June 2023 was unreasonable.

As to communication with the policyholder and support during the claims process, I've carefully considered the exchanges on QIC's 'portal'. While Mr A's communication was intemperate on occasions, some of his frustration about delays were justified. I consider that QIC could have done more to ensure that Mr A was given regular support and updates on progress in the circumstances. The confusion over payment of the local authority fee exemplifies avoidable communication issues and which inevitably increased Mr A's distress at an extremely difficult time.

With regard to the contents which were destroyed in the fire, it appears that some minor items were salvaged and then cleaned, wrapped and stored. I note that QIC offered £35k to settle the claim, being the amount Mr A declared it would cost to replace the contents, including valuables in his home, should an incident of this nature occur. I note that QIC has said it would be happy to consider any other losses over and above this amount if it received evidence to support such additional loss and I consider this to be a fair offer. I can understand that any paper evidence will have been destroyed in the fire. I also understand that it would have been difficult for Mr A to have tried to evidence any additional valuations. However, I note that QIC has offered the total amount declared by Mr A as the replacement value in early 2022 and Mr A would therefore need to show why £35k is no longer a fair value, bearing in mind that some of the items have been salvaged. On a provisional basis, I therefore don't intend to uphold this element of Mr A's complaint.

As to alternative accommodation, I note that Mr A had quickly arranged accommodation as from May 2022. However, he soon realised that this wasn't suitable and informed QIC of this. I note that QIC had already issued a rent payment for six months. It then sent a list of rental properties and asked Mr A to review them. I note that Mr A again expressed dissatisfaction regarding the alternative accommodation on other occasions. However, I agree with the service's investigator here that QIC had acted in a fair and reasonable manner and had kept channels open for Mr A to source more suitable accommodation. QIC will be expected to continue to engage with, and support Mr A to ensure that his needs are met in this respect. On a provisional basis however, I can't say that QIC acted unfairly or unreasonably during the period referenced in the current complaint.

In conclusion, I can't say that QIC has acted in an unfair or unreasonable manner in relation to the elements of his complaint about the house contents and alternative accommodation up until April 2023. However, this doesn't preclude Mr A from raising any further complaints with QIC for any further matters concerning his claim. On a provisional basis however, I don't consider that QIC fairly and reasonably progressed the claim, in particular with regard to the roof. The evidence indicates that it didn't diligently and proactively proceed with obtaining the necessary permission regarding roof replacement between July 2022 and January 2023.

I appreciate that a catastrophic fire and loss of a home and personal belongings will cause a huge amount of worry, distress and inconvenience. Whilst the incident itself is outside the insurer's control, the prompt and diligent handling of claims is within its control. Complex claims of this nature which require total reinstatement of a property, will inevitably be difficult and lengthy. However, I provisionally conclude that it shouldn't have taken six months to lodge an application for permission to the local authority. This will have inevitably mean[t] that it will take longer for Mr A to return to his home. [It] will also have prolonged the distress, upset and worry over many more weeks than was necessary. I also consider that QIC's communication and support for the policyholder was not as effective as it could have been. In the circumstances, I consider that £1,000 would be a fair and reasonable level of

compensation in relation to this complaint.'

In my provisional decision, I asked both QIC and Mr A if they had any further comments or evidence they would like me to consider before I made a final decision.

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.

It's pleasing to note from information supplied by Mr A that QIC has now arranged for the roof of Mr A's property to be replaced, although Mr A also describes on-going issues which are unfortunately outside the scope of this decision letter. However, Mr A hasn't provided any other evidence or arguments relating to the provisional decision.

QIC has provided further submissions and evidence in response to the provisional decision. Following further investigations, it noted that after the make safe work in July 2022, a site visit was carried out and during this visit, potential asbestos-containing materials required testing. The testing was required in the upstairs of the property. QIC said that in order for the local building control to approve the planning application, they required access to review the roof space. It stated, *'It was clearly not safe for building control to attend before the testing and potential removal had been completed.'*

QIC explained the sequence of events and that the results of the asbestos testing were received in September 2022. It initially instructed a company to carry out the asbestos removal, but they couldn't complete the removal for some time due to the large-scale removal and also couldn't give a start date due to further make safe works in the upper floors. It then instructed another company in October 2022, and they completed the removal in November. It reiterated that the contractor approached the local building control department in December 2022, with an aim of getting it approved in January 2023, *'but following the initial contact there was some confusion caused by the local building control which added further delays.'*

Finally, having reviewed the provisional decision, QIC accepted that there had been occasions when avoidable delays had occurred. However, it considered that it had now explained why building control couldn't be approached sooner.

I've carefully considered QIC's further submissions. However, I don't consider that the submissions and evidence adequately explain why contact with the relevant local authority didn't progress between July and December 2022.

It's fully appreciated, as recorded in the provisional decision, that this was a complex project involving a number of agents and contractors. The testing for, and presence of, asbestos inevitably creates further unavoidable complexity and delay. However, one of the key issues here is whether more could have been done between July and December 2022 to ensure that, once asbestos removal had taken place, work then rapidly progressed to replace the roof to the property. I remain of the view that QIC hadn't fairly and reasonably progressed parallel discussions and preliminary work to submit the appropriate applications to the local authority during the relevant period. It's also not clear that building control required physical access to the property.

QIC accepted that the contractor was tasked with checking permission requirements for the roof in July 2022 and that reinstatement of the roof was critical to progressing full internal scoping of work. I've seen no evidence to show that these checks and discussions occurred. Whilst the presence of asbestos explains certain complexities and delays, it doesn't explain

the apparent lack of parallel contact with the local authority. Even if it hadn't been possible to submit an early desktop application, it seems that QIC hadn't made early enquiries, and seemed not to become aware of the need to make an application for planning permission until December 2022. I consider that it would have been fair and reasonable for QIC to have established this point and to progress the application process much sooner than it did.

I therefore remain satisfied that *'there is no evidence to demonstrate efforts to contact and diligently progress an application to the local authority between July and January 2023. I consider six months was an unreasonable timescale for submitting such an application...I consider that an application to the local authority regarding the roof should have progressed in parallel with these other work items.'* I also remain of the view that this will have inevitably meant that it would take longer than necessary for Mr A to return to his home. I also remain of the view that this will have prolonged the distress, upset and worry over many more weeks than was necessary.

In all the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

My final decision

For the reasons given above, I uphold Mr A's complaint and require QIC Europe Limited to pay Mr A £1,000 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 November 2023.

Claire Jones
Ombudsman