

The complaint

Mrs M was unhappy that part of her claim for water damage was unfairly declined by Accredited Insurance (Europe) Ltd ("AI") under her home insurance policy. Mrs M had some representation during the claim but for ease and simplicity I'll only refer to Mrs M.

What happened

Following a claim by Mrs M for water damage, AI said it wouldn't cover the damage externally caused to the property. But AI did consider the internal damage under the accidental cover included in the policy.

AI has offered a cash settlement to cover the internal cosmetic repairs that were required, but Mrs M hasn't indicated whether she accepts this. She was unhappy that AI wouldn't reimburse her the costs she'd incurred for getting her electrics re-wired.

AI said it would pay Mrs M the costs she'd incurred when an electrician was called out initially to make safe the electrics and review what work was required (the electrician attended twice). However, Mrs M had the re-wiring work carried out before AI had been given the opportunity to review the quote and to assess whether it agreed the work required was a consequence of the water damage. So, it decided to decline this part of the claim.

Mrs M remains unhappy her re-wiring costs haven't been covered by AI, along with the costs to repair her roof.

Our investigator decided to partially uphold the complaint. She didn't think AI had been unreasonable in declining to cover the cost of the re-wire considering Mrs M had the works completed without the insurer's authorisation. But she did think there had been a lack of communication from the insurer and delays in issuing payments, so she decided AI should issue £100 compensation to recognise the inconvenience this caused Mrs M. Mrs M disagreed, so the case has been referred to an ombudsman.

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.

When Mrs M complained to our service, she said she was unhappy with both the damage to her roof not been covered and the internal electrical work. I can only consider any complaints that Mrs M has made with AI, and it has had the opportunity to comment on. As Mrs M didn't raise a complaint with AI in relation to the external damage to the roof (which cost her around £200 to be repaired), I'm not able to consider this. Mrs M can still raise this issue first with AI if she chooses to.

I've considered why AI declined to cover the electrical re-wiring costs. AI said *"[Its] reviewed the calls in the claim and can confirm that you were told to get quotes for us to review and approve but were not told to get the works completed"*.

AI has shared with Mrs M part of the terms and conditions which reads *“you may carry out any temporary repairs that are necessary to reduce any further loss or damage but do not carry out any permanent repairs without first getting our written permission”*.

So, I think the terms and conditions are clear that the electrical work would need to be authorised by AI before it is carried out.

However, Mrs M said this wasn't what was discussed. She said *“there was no such discussion about waiting for their authorisation. They only suggested that they will review the cost. They had already agreed to do the internal repair including rewire after the first surveyor visit”*.

I've checked the surveyor's report for the visit that Mrs M refers to. It sets out the scope of the damage in the surveyor's opinion. It reads *“lights not currently working as the fuse board keeps tripping out, which affects the other downstairs lights”*. I've read a further surveyor's report where the scope of the repairs is set out – there is no mention of electrical repairs required.

I don't think the surveyors' reports provides evidence that supports the house required a re-wire. It just says the electrics were tripping. There are many reasons electrics can trip, it's very possible the damp conditions were causing this – it doesn't necessarily mean the house needed re-wiring. However, when Mrs M suggested a re-wire was required as recommended by her electrician, I think it was reasonable for AI to review the report provided and the quote before authorising the work. As this information was contrary to what its surveyors had reported.

I've listened to the call when AI spoke to Mrs M in relation to the general settlement. The electrical works were discussed. I can hear the call agent stressing twice to Mrs M that the electrical work had to be authorised before it could take place. The agent said this could be done once the quote was received. It's clear Mrs M understood this, as her frustration could be heard on the phone as she realised the claim would take slightly longer.

I think the terms and conditions of the policy are clear and I think AI made Mrs M aware of these when discussing the claim. The surveyors' reports suggest the water hadn't damaged the electrics, which suggest the tripping was a temporary issue rather than the water had caused widespread damage. I think AI were reasonable to request details of the work before it authorised it. As AI couldn't do this, I think it has been fair in declining this part of the claim.

I do think the claim took longer than it should've done, so for these delays I award £100 compensation for the distress and inconvenience this would've caused Mrs M. So, I partially uphold this complaint.

My final decision

My final decision is that I partially uphold this complaint. I require Accredited Insurance (Europe) Ltd to pay Mrs M:

- £100 compensation – for distress and inconvenience (AI should also pay Mrs M, for the internal works it agreed and the electrician's call out invoices if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 December 2023.

Pete Averill
Ombudsman