

The complaint

Mr and Mrs T complain about Covea Insurance plc's handling of a claim they made under their home insurance policy.

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

What happened

In mid-2019, Mr and Mrs T made a claim under their home insurance policy with Covea after an escape of water caused significant damage to the downstairs of their property.

Covea accepted their claim and offered a cash settlement, which Mr and Mrs T say was too low to cover the cost of repairs. Covea appointed a loss adjuster to deal with the claim and arrange repairs.

In around March 2020, Mr and Mrs T's downstairs furniture was put into storage and their flooring was removed, leaving a concrete base. Repairs couldn't go ahead as planned due to restrictions as a result of the Covid-19 pandemic.

The repairs were delayed until October 2021. Mr and Mrs T and their family were placed in alternative accommodation while the works were carried out. Mr and Mrs T say they were told it would take around nine weeks to complete the refit, but it took over five months. In April 2022, Mr and Mrs T noticed that the new floor was lifting in the same place as it was during the initial issue. Mr and Mrs T's return to their home was delayed until June 2022. Mr and Mrs T say Covea's contractors didn't investigate the issue, so they had to engage with a leak detection company who confirmed there was no leak. The issue was with the laying of the floor.

Mr and Mrs T raised a number of concerns about the quality of the work carried out by Covea's contractors. Covea instructed another loss adjuster to review the work. The loss adjuster visited the property in July 2022 and agreed the works had not been completed to a satisfactory level. The loss adjuster recommended that Mr and Mrs T be allowed to use their own preferred contractors to complete the works. However, Covea decided to give the contractors who had carried out the work the opportunity to rectify it.

In November 2022, Covea decided that the loss adjusters who had been brought in to review the previous works should support the second refit. It was agreed that the repairs could be carried out by Mr and Mrs T's preferred contractors and work began in March 2023. Mr and Mrs T say works were delayed by a few weeks because Covea hadn't paid the contractors on time.

Covea acknowledged that the service it and its contractors had provided was below standard and the time it had taken to reach the stage it had was unacceptable. It paid Mr and Mrs T a total of £2,200 in response to their complaints.

Mr and Mrs T remained unhappy and asked our service to consider the matter. After they brought their complaint to our service, Covea offered to pay them a further £800. Mr and Mrs T didn't think this was enough to compensate them for the distress and inconvenience they'd experienced.

Our investigator looked into Mr and Mrs T's concerns and thought their complaint should be upheld. She recommended Covea increase the total compensation award to £4,000. Covea disagreed with our investigator's outcome. It felt a total of £3,000 was sufficient compensation for the delays. So, 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.

The relevant industry rules say an insurer should handle claims promptly and fairly.

Covea has acknowledged that its poor handling of the claim has had a substantial impact on Mr and Mrs T. So, the only matter that remains is whether the £3,000 it believes is fair compensation is enough to put things right.

Mr and Mrs T say the leak was first identified in November 2018. However, it looks like they made the claim in August 2019, after arranging for the leak to be fixed and allowing time for the property to dry.

According to the information Covea has provided, it made Mr and Mrs T a cash settlement offer of £3,187 (less the excess) in August 2019. Mr and Mrs T provided estimates of the work shortly afterwards, and a second quote was requested. Covea has noted that Mr and Mrs T's costs reflected market rates, but it wanted to check what its suppliers would charge. Covea appointed its own suppliers at the end of October 2019.

Covea has acknowledged that Mr and Mrs M raised two complaints about their own costs being declined but these weren't logged or dealt with.

Covea has also noted that its agents who were initially dealing with the claim weren't proactive. This appears to have resulted in a delay at the beginning of the claim. Despite Covea appointing its own contractors at the end of October 2019, drying works weren't arranged until March 2020.

Mr and Mrs T's furniture and flooring was removed shortly before the first Covid-19 lockdown of March 2020. They were left in a property with no flooring or downstairs furniture for around eighteen months.

Mrs T says she was working from home even before the pandemic. She wasn't able to use her downstairs office, so needed to work on her bed in her bedroom. The only furniture Mr and Mrs T had downstairs was camping chairs and tables. The family spent most of their time upstairs in their bedrooms due to the unpleasant environment downstairs. They weren't able to celebrate or enjoy special occasions as they would have wanted.

Covea has noted that there was some unavoidable delay between August 2020 and July 2021 because works couldn't start until the bathroom was repaired. From what I can see Mr

and Mrs T were offered a cash settlement for the bathroom in September 2020 after they found someone to do the work. However, there was a delay in the work being carried out as the contractors doing the bathroom repairs weren't able to do internal work because of the Covid-19 pandemic.

According to Covea's notes, Mr and Mrs T confirmed that repairs to the bathroom were completed on 1 July 2021. However, the reinstatement works didn't begin until the end of October 2021.

It seems that part of the delay here was because Mr and Mrs T's alternative accommodation wasn't available. But Covea has noted that it should have offered to put the family up in a hotel so as not to delay the works.

The works were initially supposed to take nine weeks. However, it looks like some further damage came to light. Following this, Covea has noted that the works were to be completed in mid-March but Mr and Mrs T were then told they wouldn't be done until mid-April 2022.

In early April 2022, Mr and Mrs T noticed that the floor was lifting in the same place as it was before. However, they say Covea's contractors didn't do anything to investigate this, and Mr and Mrs T had to engage with a leak detection company, who confirmed in June 2022 that no leak was found. It seems that the issue was to do with the quality of the repairs that had been carried out by Covea's contractors.

As a result, Mr and Mrs T's alternative accommodation needed to be extended and they weren't able to return to their home until June 2022. Mr and Mrs T were fairly happy with the standard of alternative accommodation they were provided with. But they've told us the distance from home made it difficult for their children to socialise and it was unsettling for their eldest child who was sitting exams.

Covea has acknowledged that the quality of the repairs was poor. The loss adjusters who reviewed the work reported that around £20,000 worth of "snagging" work needed to be completed as a result. Mr and Mrs T say the standard of work was so bad that it needed to be started all over again.

The report confirming the initial repairs were inadequate is dated July 2022, but the second refit didn't begin until March 2023. There seems to have been a long delay in Covea approving the works to be completed by Mr and Mrs T's own contractors. Covea has noted there was no justification for snagging issues taking so long to be rectified.

Covea says some of the 4.5 years Mr and Mrs T have been living with this situation would have been taken up by the repair process. It says its offer of £3,000 takes into consideration the inconvenience and poor service they experienced for a 3.5 year period.

I appreciate that some disruption was always going to be necessary while repairs were being completed and this was made worse because of the Covid-19 pandemic. However, Mr and Mrs T have experienced sustained distress and inconvenience over several years.

Mr T says he found he had to project manage the claim. He says he had very little contact from Covea's loss adjuster, and he had to speak to Covea two or three times a week. Covea has noted that Mr and Mrs T had contacted it and its contractors regularly for updates but there was no sense of urgency from the contractors involved.

Whilst Covea has acknowledged lengthy delays and poor service, I don't think it's fully considered the impact of the poor quality of repairs on Mr and Mrs T. It was extremely upsetting for them to find so many issues with the repair work after waiting so long for it to be

carried out. I understand the works needed to be carried out all over again because the quality of Covea's contractors work was so poor. Mr and Mrs T had to go to a lot of trouble to show that the standard of work was inadequate and to get Covea to accept that the second refit should be done by their own contractors. They also had the additional disruption of having to move out of their home a second time.

Whilst the £3,000 Covea has offered might be sufficient compensation for the delays in progressing the claim, I don't think it's enough to fully recognise the impact its poor service has had on Mr and Mrs T. They weren't only inconvenienced because of the length of time the claim has gone on for. They've experienced additional disruption and distress because the works weren't carried out adequately the first time around.

Considering the above, I think a total of £4,000 would be reasonable to recognise the distress and inconvenience Mr and Mrs T have experienced. I understand Covea has already paid Mr and Mrs T £2,200, so it should pay them a further £1,800.

Putting things right

Covea should pay Mr and Mrs T £1,800 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs T's complaint and direct Covea Insurance plc 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 T and Mr T to accept or reject my decision before 18 December 2023.

Anne Muscroft
Ombudsman