

The complaint

Mr S complains about the way Fairmead Insurance Limited dealt with a claim he made under his home insurance policy.

Reference to Fairmead includes agents and representatives.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mr S got in touch with Fairmead to make a claim for damage to his roof, inside his property, and to a boundary wall, following bad weather.
- Fairmead declined the claim for the boundary wall. It indicated it accepted the other claims on the basis they were caused by a storm, but said they wouldn't be paid in full as Mr S was underinsured.
- Mr S was unhappy with this and referred a complaint to this Service. In January 2023 Fairmead agreed to pay for a report about the rebuild cost of Mr S' home to consider the underinsurance point further. And to pay £200 compensation for delays and communication problems during the claim. Based on the evidence available at the time, our investigator didn't think Fairmead should cover the boundary wall.
- Based on the report about the rebuild cost, Fairmead accepted Mr S wasn't underinsured. It settled the claim for storm damage to the roof damage in full. But it said it wouldn't pay anything toward the internal damage as it was pre-existing and not caused by the storm.
- Two further complaints arose and Fairmead responded to them in February and August 2023. In the first, Fairmead accepted there had been further delays and offered £150 compensation. And in the second, Fairmead said its loss adjuster had inspected the internal damage and said the damage was pre-existing. It also said Mr S hadn't taken steps to carry out any kind of temporary repair to the internal damage.
- Our investigator considered the two further complaints. She thought Fairmead should cover the internal damage and pay a further £300 compensation, making £450 compensation in total for the two recent complaints.
- Fairmead didn't agree to this and reiterated its earlier position.

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.

- Whilst underinsurance was previously in dispute, it isn't any longer, so I won't need to consider that point. Similarly, as the roof damage has been covered in full, I won't

need to consider that either. And the boundary wall point isn't currently in dispute.

- That leaves two points for me to consider – should Fairmead cover the internal damage and how much compensation should it pay for the way it's handled the claim?
- I don't think Fairmead has been clear with Mr S about its view on the internal damage. Originally it gave the impression it was covered, subject to underinsurance reducing the settlement. Then, once it accepted there was no underinsurance, it said the internal damage wasn't covered – some eighteen months after Mr S made the claim and based on a single loss adjuster report it had had for around a year.
- I bear in mind the inspection on which the report is based took place six months after the damage occurred and the claim was made. It noted storm winds had blown tiles from the roof, leaving holes in the roof. It said Mr S had shown it damaged plaster due to rainwater ingress and there was also pre-existing damp. It also noted that some of the property had bare floorboards and walls stripped back to the brickwork in places. But the report says very little about the nature or cause of the internal damage. It doesn't explain how it reached the conclusion that there was pre-existing damp, what might have caused it, or what impact the condition of the property had on the claim. So I don't find it very persuasive.
- A number of photos were provided alongside the report, but they're not annotated and no comment is made about them in the report – so it's not clear what the loss adjuster was trying to show with the photos. I can't see any clear signs of longer term water damage, such that it was unlikely to have happened as a result of the storm.
- It's not in doubt the roof was damaged by storm, leaving holes for rainwater to enter and cause damage. So it seems likely that at least some of the internal water damage was a result of the storm. Whilst I can't rule out the possibility that some of the water damage was pre-existing, Fairmead hasn't provided any persuasive evidence to show that it was. And Mr S says there wasn't any damp prior to the storm. So I'm not satisfied Fairmead has shown any of the water damage was pre-existing and/or can be excluded from the claim.
- Mr S accepts that some of the property was going to be refurbished prior to the damage. So it's reasonable for Fairmead to take that into account when it thinks about the scope of repairs required to put right the storm damage. But just because some of the property had stripped floors and/or walls, doesn't mean it can't have suffered water damage. So I'm not satisfied it wouldn't be fair to decline the claim.
- Fairmead says Mr S failed to take steps to mitigate his position and carry out temporary repairs. However, Mr S says he asked Fairmead to fund temporary repairs – but it didn't agree to do so. And I'm not sure what Fairmead reasonably expected Mr S to do. Fairmead had the opportunity to inspect the damage promptly and/or set out steps for Mr S to take. It didn't do that, instead it indicated the claim was covered – and then around eighteen months later decided otherwise. It took a similar amount of time for it to pay for the roof repairs. In these circumstances, I'm not satisfied it would be fair to hold any lack of mitigation work against Mr S.
- To put things right, Fairmead should accept the claim for the internal damage caused by, or resulting from, water ingress following the storm.
- Fairmead has offered £150 compensation for the way it's handled the claim since the

first complaint. Since then, it's caused avoidable delays and its communication has at times been unclear, repetitive, and hasn't dealt with all the points Mr S raised. This has happened over a prolonged period of time, despite the claim being a relatively straightforward and low value one. This has clearly caused unnecessary distress, inconvenience and frustration to Mr S.

- To put this right, I'm satisfied a total of £450 compensation is reasonable in the circumstances. This is separate and in addition to the £200 compensation paid for the first complaint. If Fairmead has already paid the £150 it offered in February 2023, it need only pay the remaining £300.

My final decision

I uphold this complaint.

I require Fairmead Insurance Limited to:

- Accept the claim for the internal damage.
- Pay a total of £450 compensation*.

*Fairmead must pay the award within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the award from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 December 2023.

James Neville
Ombudsman