

The complaint

Mr and Mrs F have complained about their home insurer, Covea Insurance plc following a claim made for water damage which occurred at their home.

What happened

Mr and Mrs F noticed a problem in their home in September 2019 and obtained a report. The report found the home had been subjected to a water leak from a water meter situated outside the front door. Mr F signed an agreement, appointing a loss assessor. Mr and Mrs F made a claim to Covea and contacted the water authority. Covea logged a claim and in January 2020, the water authority repaired two leaking meters, both situated outside the front of Mr and Mrs F's property. The loss assessor and Covea agreed a scope and cost for reinstatement, with the loss assessor beginning to strip and dry the property.

In March the loss assessor told Covea it was making a second claim regarding further damage in need of repair caused by the second meter leak. Through March and into April the loss assessor was drying the property – with two dehumidifiers added when the second claim was accepted by Covea. The drying company appointed by the loss assessor declared the property dry to its pre-incident condition in mid-April 2020.

With strict restrictions in place due to the Covid-19 pandemic, and the loss assessor already having been working at the house, Covea felt it was best to rely on information from it to validate the second claim. But once restrictions eased, with Covea still considering the further repairs, the loss assessor said it wouldn't/couldn't continue to work for Mr and Mrs F in respect of the second claim and any repairs for the first claim were on hold.

In the meantime a complaint was made to this service about the progress of the second claim (up to May 2020), the cost offered for repairs and Covea declining liability for the front door. In October 2021, an Ombudsman colleague decided Covea hadn't delayed the claim and that the repair settlement, based on what was known when it was offered, had been fair. But she felt Covea had been wrong to decline liability for the front door (and frame). She said it should pay £75 compensation and consider the front door (including its frame).

Following the decision, Covea began to look at the extent of its liability for the door and the wider claim had been continuing in the meantime. In an email in November 2021 Covea said it had asked the loss assessor to pay it back the funds paid in respect of the first claim – but the loss assessor had refused to do so. Covea said it had decided what work it was responsible for completing for the second claim and shared a schedule in that respect with Mr and Mrs F. It said the cost it would pay for that was £11,799.98. It said this was purely for the work needed to resolve the second leak damage.

In January 2022 Covea issued a final response. In that letter Covea said it felt it was correct to have logged two claims and that it felt the house was and always had been suffering from damp – such that its settlement for reinstating the home was reasonably limited (£11,799.98, net of the excess). It confirmed that it would settle for the remaining reinstatement work in cash. It said it would pay for the family to live elsewhere during the work (alternative accommodation, AA) – but that would be based on the work it felt was necessary as a result

of the water leak (not anything needed to resolve the damp) and the period that would take. It said its final offer for the door was £4,000, which it felt was fair (believing quotes submitted by Mr and Mrs F to be overscoped and overpriced).

On [REDACTED] March 2022 Covea paid Mr and Mrs F £22,505. It said this was broken down as £16,905.97 for reinstatement work and £5,600 for alternative accommodation. Mr and Mrs F had a surveyor view the property. He said it would take £50,000 to £60,000 to reinstate it. So they weren't happy with the settlement; for reinstatement, including the door, or AA. In June 2022 Covea issued a further final response. By and large this reiterated that it felt it had handled things appropriately and settled things reasonably.

By then another issue had arisen and was being considered by Covea about the family's piano. This had been in the room affected by the water leaks and had become damaged. Covea felt it largely wasn't responsible for the piano. But, feeling there had likely been some impact from the water leak and noting it could be repaired, said it would pay a quarter of the repair cost, not including any ancillary costs, or the cost to hire a piano during repairs. On [REDACTED] November 2022 it paid Mr and Mrs F £2,291.25.

Our Investigator felt the complaint should be upheld. He felt Covea should treat the leak damage as one claim, pay additionally for reinstating the property, pay more for the piano and £400 compensation. He didn't comment specifically on the door.

Covea disagreed with the findings. It believed all its payments to that point had been fair and reasonable. The complaint was passed to me for an Ombudsman's decision. I felt it should be upheld, including regarding the door. But I wasn't persuaded that Covea's reinstatement settlement was unfair or unreasonable. So I issued a provisional decision.

Covea mostly agreed with my provisional decision. But it objected to my proposal to amend the claim record and it asked for a chance to get its own quote for the door. Mr and Mrs F replied at length, providing further evidence as well as comments, including detail from the water authority showing there had been other leaks in the vicinity of the property, on-going until 2022. Also up to date quotes for the front door. This detail was sent to Covea. It made no comment regarding the updated door quotes. Regarding the other leaks – it felt this made no difference to the claim. In its view the evidence only showed some leaks in the area – it wasn't persuasive evidence that Mr and Mrs F's home had been affected.

I reviewed the complaint afresh. I found the new evidence persuasive. I issued a further provisional decision dated [REDACTED] September 2023, superseding my original findings. I've copied below, in italics, from the [REDACTED] September decision, my findings and the 11 points I felt were necessary to put things right.

My findings [REDACTED] September 2023

I trust that the parties will understand that I can't reference every point or comment raised, or every piece of evidence presented, throughout this extensively argued claim and complaint.

Building reinstatement

I think it's fair to say that there are a lot of complications in this claim and complaint – there's more than one leak, on-going damage and involvement of a loss assessor, to name but a few. And I can see both why the policyholders are frustrated but Covea thinks it has acted reasonably based on the evidence held. In that respect I particularly note that the loss assessor acting for Mr and Mrs F, after the two leaks known about were stopped, took on drying the property and declared it dry in April 2020. With an added issue for me being that I have to determine Covea's liability without being able to make findings about what the loss assessor did. So I'm going to take some key points into account to reach an overall view on this complaint which I believe to be fair and reasonable.

Key points:

- *There is water damage at the property.*
- *There were two known leaks, stopped in January 2020.*
- *With some evidence of further leaks in the vicinity up until 2022.*
- *Some damage was agreed between Covea and the loss assessor, with payments made.*
- *A dispute arose about liability for further damage and related reinstatement work – centring on installing damp proofing.*
- *A repair agent of Covea noted the presence of salts in the walls.*
- *Covea assumed this was related to rising damp, and felt this had caused damage to the sub-floor, rather than the sub-floor having been damaged by water leaks.*
- *A forensic flooring specialist determined that as of November 2021 the property was wet, and his expert view was that this was on account of water leaks, not general damp, with the previous floor covering (which included a layer of laytex), preventing moisture from venting through the floor, causing it to find a route up the walls.*
- *A surveyor instructed by Mr and Mrs F determined what work is needed to reinstate the property, setting that out in a full scope and commenting that whilst this hadn't been costed, he'd expect it to be in the region of £50,000 to £60,000. That included; removing the current floor (part concrete/part timber) and reinstating it all in concrete, installing a damp proof membrane and work to the partitioned area of the living room used as a downstairs wc.*
- *Of note, Covea does not object to replacing the timber part of the floor with concrete. That is factored into its scope of work. But Covea's scope does not include replacing the whole floor, so it doesn't account for work to the partitioned area at the rear of the lounge. Nor does it allow for damp proofing. Covea says its cost to do the necessary work is £12,905 (net of the excess).*

Having reviewed everything, I do think it's fair to rely on the findings of the forensic floor specialist and Mr and Mrs F's surveyor. Covea hasn't presented an assessment from anyone similarly qualified in challenge to persuade me such work isn't needed to resolve the leak damage. I'm conscious that the presence of salts, as noted by Covea, might be a "strong indicator" of damp. But that doesn't mean a damp issue most likely exists at the property. I note that neither the flooring specialist nor the surveyor found general damp to be causing a problem at the property. Both felt there was extensive damage caused by water leaks. And water leaks, at and in the vicinity of the property, are known to have occurred.

I think the only fair and reasonable way forwards at this point is for the surveyor's scope from 2022 to now be formerly costed. The likely fairest way to do this is have Covea instruct the surveyor to undertake a tender exercise – if he is willing to be further involved and if this is something he can do. With Covea using the successful tender as a basis for making a final settlement to Mr and Mrs F for building reinstatement work (not including the front door). If he cannot be involved, Covea will have to find another surveyor to undertake the tender.

I have to acknowledge that the surveyor's scope has not sought to ignore works that the loss assessor scoped for in 2019, and for which payment has been made. Such as plastering and replacing the floor covering. I think it's fair to allow Covea to deduct from the successful tender sum the money paid to the loss assessor – totalling £13,977.53. That work has been paid for once, some has been done, but not all. Covea can't reasonably be asked to pay for work twice. The loss assessor was instructed by Mr and Mrs F, it was not Covea's agent and Covea was not responsible for ensuring work it had settled for in cash was completed.

Covea has also paid Mr and Mrs F £12,905 (net of the excess) for work, beyond the loss assessor's scope, which it accepted was necessary to reinstate the property. This was paid as part of a cheque for £22,505. If this cheque has been cashed by Mr and Mrs F, the sum of £12,905 plus the excess can be also deducted from the successful tender.

With these two figures deducted from the successful tender bid, the remaining sum can be paid in settlement of the buildings claim (not including the front door). The cost of the surveyor's involvement in 2022, incurred by Mr and Mrs F, along with the cost for their flooring expert, will have to be reimbursed too. Both plus interest from the date they were paid until settlement is made.*

AA

Turning to alternative accommodation, Covea had based its settlement of £5,600 on the period it felt the home would be uninhabitable during the reinstatement works it felt were necessary. Given that the surveyor's scope details much more work than that accounted for by Covea, the necessary AA will have to be reviewed. The tender process should include an assessment from the participants about how long the work will likely last. From there Covea can review how long Mr and Mrs F and their family will need to find AA for, what the then currently available prices are likely to be and determine what a fair payment for AA will be. From that it can deduct the £5,600 already paid (assuming the cheque for £22,505, of which £5,600 is part, has been cashed). The remainder can then be paid to Mr and Mrs F.

Claims

Two claims for buildings damage have been logged so far by Covea. In my view that was largely because of the way this further damage found by the loss assessor in 2020 was presented to Covea. Covea has maintained that because there were two identified water leaks, logging two claims was fair. I'm not persuaded that is fair. And it's certainly not in line with the approach taken by this service. Here there are two identified leaks definitely affecting the property, with further leaks in the vicinity and major water damage throughout the relatively small downstairs area of the property. Water – regardless of its source – has been entering the property over an extended period of time until the point Mr and Mrs F reasonably became aware of damage occurring. At which point they claimed. And a feature of prolonged leaks in this type of situation is that the water spreads and causes a generally moister environment. I think it's fair here to record the buildings damage under one claim for buildings. Covea will have to amend its records to fairly reflect this – I'm not suggesting it deletes or destroys claim details, which it has suggested a direction like this might entail. Clearly all the history is relevant and must be kept – but that doesn't mean the record can't be amended to reflect that only one claim is in place for all buildings damage.

Covea also needs to show a claim for contents though. That accounts for the piano.

Excesses

The excesses for water leak claims for buildings and contents are the same. Two excesses have been accounted for already. So no further excess should be taken for the contents claim. I know Mr and Mrs F have said the water leak excess for contents shouldn't apply to the piano claim. They feel it was damaged by humidity in the property not water. But the

increased humidity was the result of the water leak – but for the water leak, and the subsequent drying, the piano would not be damaged.

Front door

Covea did not fairly settle for the front door. The offer it made was based on a quote which was not a like-for-like door to that Mr and Mrs F had. They sent it like-for-like quotes but it didn't change its offer. Covea also wanted to restrict its offer such that it would pay for the door and frame around it to be replaced, expecting the old doorframe to be cut out, leaving the top part of the frame around the toplight in place, with a new frame being spliced in. But that also was not what Mr and Mrs F had before. Covea seems to have accepted my view that its offer was not fair. It thinks it should get a chance now to re-quote for the door. But I think it had fair chance in that respect. It should have paid the lower of the three like-for-like quotes submitted to it in November 2021 at that time. Mr and Mrs F have provided updated quotes for the doors. And Covea was informed I'd likely use those updated prices for settlement. It made no further comment. So that is what I intend to do.

The lower of the three new quotes is priced at £10,056.50, plus VAT. Covea should pay £6,056.50 to Mr and Mrs F, (which accounts for the £4,000 already paid). It will have to also pay them an amount equivalent to interest* applied on the sum of £8,242.10 (the lower of the original quotes), from ■ November 2021 until ■ March 2022, when it paid £4,000 for the door, plus on the sum of £4,242.10 until ■ July 2023, 30 days after the date of the new quote. To allow for any fluctuations in the price of the new quote, which is only guaranteed for 30 days, Covea should also pay interest on the sum of £10,056.50 from ■ July 2023 until settlement is made.

Mr and Mrs F though, have also asked to be given leave to send further updated quotes to Covea when they are ready to reinstate the door, so additional payments can be made. I'm not persuaded that would be fair. Not least as I simply don't know what may happen after my decision or what quotes may be presented. I'm satisfied that using the current quotes to base my settlement on, plus interest as explained, is fair.

When Mr and Mrs F present Covea with VAT invoices, Covea will have to reimburse that outlay within 14 days of receipt. It will be liable for VAT applicable against the total of the quote price plus all the interest awarded. If payment is made outside 14 days, interest* will have to be added to the VAT sum due, from the date the invoices were received by Covea until settlement is made.

Piano

Mr and Mrs F feel that Covea's offer is unfair. I think it is unfair in part. Covea should be offering to part settle ancillary costs, alongside the offer it made to pay 25% of the repair cost. But, in short, whilst the increased humidity due to the water leak played a part in the piano becoming damaged, the expert evidence says it was likely only damaged to the extent that it was because of the piano remaining in the home during the drying process. Covea was not in control of the drying process, the loss assessor had asked for costs for moving items in the living room into storage, with the accompanying photos including sight of the piano. Covea paid the costs requested. I'm satisfied it wasn't ever asked by the loss assessor to modify the settlement, even though Mr and Mrs F sent the loss assessor a specific quote for moving the piano to storage. I'm satisfied that Covea, having paid 25% of the repair costs, will have to make an additional payment to Mr and Mrs F for 25% of the ancillary costs associated with that repair – the cost to remove and later return their piano, as well as the following up tuning work required.

There is also the request by Mr and Mrs F for the family to have access to a 'hire' piano for the period of repair. I don't think that is necessarily unreasonable. I think the 25% liability of costs reasonably tracks to this too – limited damage means less restoration, with a knock-on

effect to repair time. But, I won't award an up-front payment here. If Mr and Mrs F hire a piano, Covea will have to reimburse Mr and Mrs F 25% of their cost for doing so. Subject to it receiving invoices from Mr and Mrs F showing the hire, for the period their piano is being restored. Reimbursement should be paid within 14 days of receipt. If payment is made outside 14 days, interest* will have to be added from the date the invoices were received by Covea until settlement is made.

I know Mr and Mrs F want Covea to pay for or at least toward replacement costs for the piano. But the piano can be repaired. I think Covea's investigations into the report of damage to the piano were fair and reasonable, including making them in a reasonably timely manner. As of the date of Covea's settlement for the piano in November 2022, the cost to repair was less than the cost of replacement. I think settlement based on repair costs is fair and reasonable and I'm not minded to make any award regarding replacement prices.

Compensation

I think the claim has been delayed since May 2020 – the period before which was considered by my colleague in their October 2021 final decision. With Covea issuing its final response on this complaint in June 2022, and them living in their disrupted property during all that time. I've noted above that the claim settlement, which covered a number of areas of loss, was delayed, and that the payment for the front door was unreasonably limited. I also think Covea could reasonably have taken a pragmatic approach earlier, acting to view the buildings damage as one incident. In terms of the claim settlement that would have changed little – but I think it was clearly a cause for frustration for Mr and Mrs F. I've also now found Covea's previous settlement for the building damage was unfairly and unreasonably limited.

I know that Mr and Mrs F have put in a lot of effort to challenge Covea. They've faced a lot of stress, as well as worry about how they will ever reinstate their home (with Covea's settlement offer being about one-sixth of their estimated costs). Covea is not responsible for the loss assessor's actions, and their involvement did add a layer of complication to the claim. But Covea failed Mr and Mrs F, as I've explained, failures which I think significantly impacted their daily life across the course of the roughly two year period I am considering here. Having taken everything into account I'm minded to require Covea to pay £2,000 compensation for the distress and inconvenience it has caused to Mr and Mrs F.

Putting things right [numbering added] ■ September 2023

1. Amend its own and any external records to show that Mr and Mrs F have made one buildings claim and one contents claim.
2. Instruct the surveyor to undertake a tender exercise for his scope created in July 2022, covering his costs for doing so. If that surveyor cannot be involved, instruct (and pay for) another to undertake the tender exercise.
3. Take the sum on the successful tender as its base for settling the building reinstatement claim, deducting from that; £13,977.53 and £12,905 plus the policy excess, paying the remainder to Mr and Mrs F.
4. Referencing detail from the tender about how long the work will likely take, review the AA settlement, making a further payment for any amount reasonably due over and above the £5,600 already paid.
5. Reimburse Mr and Mrs F's costs paid for the flooring specialist and surveyor, plus interest* from the date they paid the experts until settlements are made.

6. *Pay Mr and Mrs F £6,056.50 for the door.*
7. *Make a payment to Mr and Mrs F equivalent to interest* applied on the sum of £8,424.10 from ■ November 2021 until ■ March 2022. With a further payment equivalent to interest* on the sum of £4,242.10 applied from ■ March 2022 until ■ July 2023. And then a further payment equivalent to interest on the sum of £10,056.50 from ■ July 2023 until settlement for the door is made.*
8. *Once provided with an invoice for replacing the door showing VAT is due, make a payment to Mr and Mrs F equivalent to the VAT due against the settlement sum of £10,056.50 plus the interest sums awarded. Payment will have to be made within 14 days of the date the invoice is received by it, or it will have to add interest* to the VAT sum due applied from the date it received the invoices until settlement is made.*
9. *Make a payment to Mr and Mrs F equivalent to 25% of their cost to remove and return their piano for repair and to tune it following the repair.*
10. *Upon receipt of invoices from Mr and Mrs F showing they've paid for piano hire whilst their piano is being restored, reimburse 25% of their costs, including for reasonable ancillaries such as delivery. Payment will have to be made within 14 days of the date the invoice is received by it, or it will have to add interest* to the hire sum due applied from the date it received the invoices until settlement is made.*
11. *Pay £2,000 compensation.*

Covea did not reply. However it began contacting Mr and Mrs F with a view to settling my provisional awards.

Mr and Mrs F said they agreed, without much comment, with points 1, 5, 6 and 8. Although regarding point 8 they want to be sure VAT will be paid at the rate applicable at the time paid. They indicated they agreed point 4 and 7 in principle. But, on point 4, wanted to stress AA should be for a like property in the immediate vicinity, currently costing a minimum of £6,500 a month. Point 7 is in respect of interest applicable to the front door settlement. They didn't dispute my direction that interest should be applied. Rather they said interest should be applied from an earlier point than I had suggested (May 2020 not November 2021).

In respect of points 2 and 3, referencing settling the main buildings damage, Mr and Mrs F said they'd be happy for the original surveyor to be appointed, he can oversee the work as well. But he won't agree to being instructed by Covea, he would want to be instructed by Mr and Mrs F. And regarding Covea being able to deduct what it previously paid the loss assessor (point 3), they think this is unfair. They argue Mrs F, as the policyholder, did not instruct the loss assessor, so Covea was wrong to deal and settle with it. They said if Covea is allowed to deduct what it paid the loss assessor the policyholder will have had no benefit, which is unfair.

Mr and Mrs F said they disagreed with 9 and 10 (piano). But also point 11 (compensation).

Regarding points 9 and 10. They said a decision to repair their piano does not make economic sense because it will currently cost less to replace it. They don't think any settlement for the piano should be limited to 25% – it's not fair to make them responsible for any damage, let alone 75%. They reiterated their view that Covea was in charge of the drying process. Mr and Mrs F said the piano was damaged by the incident and the policy doesn't allow for such a split settlement. They added that in the context of such a split settlement, the whole contents claim excess being applied does not make logical sense.

In respect of point 11 (compensation), they said they've spent over 100 hours alone responding to my [REDACTED] September 2023 findings, and over 1,100 hours dealing with matters since November 2019. They feel £150 per hour should be allowed for all of that, adding up to £187,500 compensation. Mr and Mrs F concluded that the £2,000 suggested in no way makes up for the long-term upset, including their family living in unsatisfactory conditions for so many years, caused by Covea's failures. They asked that I use my discretion to substantially increase the award.

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.

In response to my provisional decision, Covea hasn't raised any objection at all. I note Mr and Mrs F have provided extensive replies, including substantial pages from information requests from the various business involved. They've also suggested how I might re-write my [REDACTED] September 2023 decision. I'd like to confirm that whilst I've only referred above to their replies made in respect of my suggested awards, I have read and understood everything they've provided in reply to my provisional decision of [REDACTED] September 2023. But it's part of my role to tailor my findings so they are as concise as possible. It's also part of my role to focus on the issues key to my findings on the complaint.

Points largely in agreement

With no objection from Covea and complete agreement from Mr and Mrs F, I don't need to add any further comment on points 1, 5, and 6. I'll add a brief note here regarding points 4, 7 and 8.

Point 4. I'm not going to add caveats or restrictions to the AA award. Covea is aware that AA should be for a like property. But what equates to a reasonable offer for AA will depend on a number of factors likely including the rental market prevalent at the relevant time and the period during which the home will likely be uninhabitable.

Point 7. Covea initially declined liability for the front door. My colleague's final decision of October 2021 required it to consider the damage to the door as part of the claim. She did not direct Covea to pay interest on any settlement ultimately found due. I can't, therefore, apply interest from the date the claim was logged. It was November 2021 when estimates for replacing the door were provided to Covea. I remain of the view that applying interest as set out in point 7 is fair and reasonable ([REDACTED] November 2021 being the date of an initial estimate I was satisfied provided a like-for-like replacement).

Point 8. My award requires Covea to reimburse Mr and Mrs F's VAT outlay up to the VAT sum applicable on the estimate dated [REDACTED] June 2023 for £10,056.50 plus VAT at 20%. I don't know if the rate will have changed by the time the current front door is physically replaced (which I understand has to wait until other work is done). But I don't see any reason why the purchase of the replacement door has to be delayed, such that the VAT rate may have changed. I remain of the view that my award, as set out in point 8 above, is fair and reasonable in the circumstances.

Points regarding settling for the main building damage

Point 2. I said Covea should appoint the surveyor, who has already completed a schedule of work, to have that tendered. Mr and Mrs F have provided a letter from him agreeing to do that, but in which he says he will need instructing by them, not Covea. They'd like me to

amend my award in that respect. I'm aware that Mr and Mrs F have said they've gone ahead and appointed the surveyor, with a view to getting reimbursement of their outlay from Covea.

With regret for any disappointment this causes Mr and Mrs F, I'm not going to amend my award in that respect. I'm conscious that Covea has had no chance for a say in Mr and Mrs F going ahead with the instruction themselves. So I can't fairly just say it must now pay their costs. Further, my [REDACTED] September 2023 suggested award allowed for a different surveyor to be appointed if the one who scheduled the work was not prepared to be involved. I still think it's fair that Covea makes the instruction as it will be it that is liable for paying the sum returned by the tender. It's, therefore, reasonable that it has some involvement in that process – which it can't do if it does not instruct the surveyor.

I'd add that even with an instruction of a surveyor, Covea will also still likely need to have a loss adjuster involved going forward. It's often the case that loss adjusters manage claims for insurers, it's not something they do 'in-house'. I know Covea has offered to use a different loss adjusting company to that involved previously. I think that's a reasonable offer from it in the circumstances, and doesn't mean Covea is intending on trying to use a loss adjuster to fulfil my award. For the avoidance of doubt my award requires a professionally qualified surveyor to be appointed.

Point 3. Mr and Mrs F argue it's unfair for Covea to keep the money it paid to the loss assessor for what was termed "claim 1". They think it was failures of Covea which caused the loss assessor to withdraw its services. They also feel this sum (which was paid before services were withdrawn) should never have been paid to the loss assessor because Mrs F hadn't contracted with the loss assessor. They argue that Covea, releasing claim funds to the loss assessor, and now being allowed to deduct those funds from any further settlement, will leave "the policyholder" with no benefit.

I'm not persuaded that is a fair and reasonable assessment of the situation. Mr and Mrs F are joint policyholders. The policy does not preclude either of them from appointing representatives to deal with the claim on their behalf. Mr F signed a document notifying Covea that the loss assessor had been appointed to deal with the claim on "my/our" behalf. The instruction directed Covea to deal solely with the loss assessor, including in respect of paying the claim. The loss assessor and Covea negotiated the claim, settlement was made by Covea and, as I understand it, the loss assessor did carry out some work. Some of which at least is now included in the surveyor's schedule of work. So some benefit has been afforded to Mr and Mrs F as homeowners and joint policyholders. And, as I've said, I can't make any determination about the loss assessor's actions – such as if they were reasonable in light of Covea's failings. In any event, I'm not persuaded that the loss assessor walking away or Mrs F not having signed the contract with the loss assessor, fairly and reasonably means Covea should have to pay again for work it's already settled for in good faith.

Points regarding the piano and compensation

Point 9 and 10 – I noted provisionally that when Covea offered settlement for the piano, repair was to cost less than replacement. Mr and Mrs F are correct – there's nothing in the policy allowing for a percentage settlement. But I've explained that the expert view was that the piano suffered the extent of damage it did due to it remaining in the property during drying. Also that the extent of the damage likely materially impacted the repair costs. Covea wasn't responsible for the property being dried; it settled in cash, in line with the instruction referenced above signed by Mr F, for that work, including removal of items, piano included, within the front room. However, the piano wasn't removed and drying occurred with it in place. I remain of the view that it settling proportionately at 25%, for the costs associated with repair of the piano, is fair and reasonable. The policy excess is not dependant on what proportion of the loss the insurer is liable for, it is due in respect of a claim being made.

Point 11 – Compensation. I know this claim has gone on for a long time and that Mr and Mrs F have put in a lot of time and effort responding as part of the Financial Ombudsman Service's complaint process. But I explained provisionally that my award reflects the distress and inconvenience I'm satisfied Covea caused Mr and Mrs F by its poor claim handling between May 2020 and June 2022. I remain of the view that its failures significantly impacted their daily lives throughout that period. My award of £2,000 reflects that and it's in line with our guidance and other awards made by this service in similar circumstances. So I'm not persuaded to increase it, I'm satisfied it's fair and reasonable.

In summary

Having reviewed Mr and Mrs F's response to my provisional decision of [REDACTED] September 2023 and noted Covea's acceptance of it, I've not been persuaded to change my views on the complaint. I appreciate that my findings will be somewhat disappointing for Mr and Mrs F – whilst I've upheld their complaint and found Covea liable for much more than it had previously accepted liability for (likely at least £70,000), I've not found it liable for everything Mr and Mrs F think it should pay (a further £20,000). I remain of the view though that my findings are fair and reasonable in the circumstances. My findings of the provisional decision dated [REDACTED] September 2023, along with my further comments above, are the findings of this my final decision.

Putting things right

I require Covea to:

- Amend its own and any external records to show that Mr and Mrs F have made one buildings claim and one contents claim.
- Instruct the surveyor to undertake a tender exercise for his scope created in July 2022, covering his costs for doing so. If that surveyor cannot be involved, instruct (and pay for) another to undertake the tender exercise.
- Take the sum on the successful tender as its base for settling the building reinstatement claim, deducting from that; £13,977.53 and £12,905 plus the policy excess, paying the remainder to Mr and Mrs F.
- Referencing detail from the tender about how long the work will likely take, review the AA settlement, making a further payment for any amount reasonably due over and above the £5,600 already paid.
- Reimburse Mr and Mrs F's costs paid for the flooring specialist and surveyor, plus interest* from the date they paid the experts until settlements are made.
- Pay Mr and Mrs F £6,056.50 for the door.
- Make a payment to Mr and Mrs F equivalent to interest* applied on the sum of £8,424.10 from [REDACTED] November 2021 until [REDACTED] March 2022. With a further payment equivalent to interest* on the sum of £4,242.10 applied from [REDACTED] March 2022 until [REDACTED] July 2023. And then a further payment equivalent to interest on the sum of £10,056.50 from [REDACTED] July 2023 until settlement for the door is made.
- Once provided with an invoice for replacing the door showing VAT is due, make a payment to Mr and Mrs F equivalent to the VAT due against the settlement sum of

£10,056.50 plus the interest sums awarded. Payment will have to be made within 14 days of the date the invoice is received by it, or it will have to add interest* to the VAT sum due applied from the date it received the invoices until settlement is made.

- Make a payment to Mr and Mrs F equivalent to 25% of their cost to remove and return their piano for repair and to tune it following the repair.
- Upon receipt of invoices from Mr and Mrs F showing they've paid for piano hire whilst their piano is being restored, reimburse 25% of their costs, including for reasonable ancillaries such as delivery. Payment will have to be made within 14 days of the date the invoice is received by it, or it will have to add interest* to the hire sum due applied from the date it received the invoices until settlement is made.
- Pay £2,000 compensation.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Covea to take off tax from this interest. If asked, it must give Mr and Mrs F a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Covea Insurance plc to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 20 December 2023.

Fiona Robinson
Ombudsman