

The complaint

Mr P complains about AA Underwriting Insurance Company Limited's ("AAUICL") delay in dealing with his claim under his home insurance policy.

What happened

The background to this complaint is well known to the parties, so I won't go into too much detail but will summarise the key points. Mr P made a claim following a leak from a waste pipe which caused his kitchen to become flooded. AAUICL appointed contractors to undertake strip out works and drying. Mr P complained to AAUICL about delays and not being kept updated on progress. He also said, despite chasing AAUICL, they didn't respond in a timely manner, so he was often left not knowing what was happening with the claim.

AAUICL responded to two complaints. In their first complaint response, they accepted there had been delays and a lack of communication and sent Mr P compensation of £100. Following a further complaint, AAUICL again accepted there had been delay, and that Mr P had experienced delays in getting through to them as well as not responding to his messages in a timely manner. AAUICL apologised and sent Mr P compensation of £150.

Our investigator looked into things for Mr P. She upheld the complaint and recommended AAUICL increase their offer of compensation from £250 to £350. Mr P disagreed so the matter has come to me for a 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.

Having done so, I've decided to uphold the complaint. And, I think the investigator's recommendation here is a fair way to resolve matters. I understand Mr P will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. I think it's important to add, I won't be commenting on every event during the claim and complaint process, instead I have taken a broad approach to the overall service provided. I think it's also important to make the point that my decision only covers the events up to AAUICL's second complaint response dated 11 April 2023.

Firstly, I've looked at the service given to Mr P. The key facts about the complaint aren't in dispute. AAUICL have admitted they got things wrong by causing delays in the claim and also in the communication with Mr P – this includes not keeping Mr P updated and delays in responding to his communication. The only issue I have to decide is whether AAUICL's offer to put things right is fair and reasonable.

I think it's right that AAUICL should compensate Mr P for the trouble, frustration and inconvenience caused by their poor service. To help decide what a fair and reasonable level

of compensation should be, I've looked at the errors by AAUICL and what the impact of those errors have been. I will also add, while I can see this event has been distressing for Mr P and his family, our service is only able to award compensation for any trouble, frustration and inconvenience to Mr P as he, being the policyholder, is the eligible complainant. That said, I have taken into account the additional frustration caused to Mr P knowing that his family were also being inconvenienced by AAUICL's errors.

The information shows, following Mr P's report of the escape of water at the start of October 2022, AAUICL instruct a contractor – who I'll refer to as company D - who attend a week later to assess the damage. Their report says strip out works will be required before any drying out works can start. The report says builders will be required to undertake the strip out works. Around a week later, the report is still being reviewed by AAUICL's in-house surveyor, with Mr P then chasing for an update a week after. The information doesn't show any progress being made until mid-November when a contractor is appointed to undertake the strip out works. Around three weeks later, this contractor explains they can't complete the strip out works, so another contractor – who I'll refer to as company H – are appointed. Company H then attend Mr P's property a week later.

The information shows AAUICL are then considering scope alterations, but I can't see any substantive progress until mid-January 2023 when company H attend to strip out the kitchen floor. There's then further delay and I can't see any action is taken until Mr P chases towards the end of January. At the end of January, company D attend again and their report notes that there are still areas which are wet. The report notes additional strip out works need to be undertaken and a drying certificate can't be issued until all readings are showing the surface area as dry. This report is referred to AAUICL at the start of February and it appears the next action involves appointing company H to undertake the additional strip out works. I can see Mr P then chases through the first couple of weeks of February, but the information doesn't show any substantive progress made by AAUICL. Mr P then raises a complaint on 24 February.

Over the next six weeks, and up to the point AAUICL send their complaint response on 11 April, there are further delays. For example, from mid-February company H are seeking clarification from AAUICL on the scope of the additional strip out works, they ask whether all base units need to be removed or just a section. Company H are still awaiting clarification on this and chase AAUICL on 8 March and again on 17 March. They explain once this has been confirmed, they'll be able to submit a variation of scope for the strip out works. At the point the complaint response is issued, I can't see this has been clarified to company H so the additional strip out works hadn't been done by that point.

Taking this all into account, there have been periods of avoidable delay. It's clear the lack of progress has been very frustrating for Mr P as he has been left with a kitchen which, while usable, hasn't been reinstated to its pre-incident condition. I've seen photographs of the condition of the kitchen following the strip out works and I acknowledge both the trouble and inconvenience caused to Mr P in using a kitchen with areas stripped out. I also acknowledge the frustration caused to Mr P in not being kept updated and the inconvenience caused in having to chase AAUICL – and the further frustration to Mr P on occasions when his emails weren't being responded to by AAUICL in a timely manner.

I do acknowledge Mr P's concerns about the condition of his kitchen and the photographs support this. Given the incident here involves an escape of water which involves strip out works, and a drying process to be followed, it's naturally the case that there's a level of trouble and inconvenience to be expected by a consumer. So, I've only considered the impact on Mr P beyond what would generally be expected and, as mentioned above, I think things have taken longer than they should've and there are periods here where progress was being held up by AAUICL. So, Mr P has been left experiencing the trouble and

inconvenience for longer. While I have no doubt about the trouble and inconvenience to Mr P in using his kitchen, I've also taken into account that the reports don't suggest the kitchen is completely unusable or dangerous.

So, taking into consideration the impact on Mr P, I don't think AAUICL's offer of £250 goes far enough to recognise the impact on Mr P. I think there has been considerable trouble and frustration caused to Mr P given the periods of delay, and significant inconvenience in having to keep chasing AAUICL for updates. So, taking into account the full impact on Mr P, I think AAUICL should increase their offer of £250 by £100, bringing the total compensation to £350.

I can see Mr P has provided a detailed timeline of events where he references further periods of delay and a lack of communication following the final response letter in April 2023. I acknowledge Mr P has also made reference to more recent events and says he was offered a date in January 2024 for the commencement of the reinstatement works. I haven't seen any further update on whether the reinstatement works did start on this date and, if so, how they're progressing. I understand Mr P is very concerned about further delays, and I would remind AAUICL of their duty to handle claims promptly and fairly and to provide appropriate information on the progress of a claim. If however Mr P does wish to take forward any further complaints which have arisen following the complaint response in April 2023, then he will need to raise these with AAUICL first to allow them an opportunity to investigate these before our service is able to look into them.

I wish to reassure Mr P I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Putting things right

I've taken the view that AAUICL have caused avoidable delays and also not kept Mr P updated. So, in addition to the £250 already offered, they should increase their offer by an additional £100 for the trouble, frustration and inconvenience caused – bringing the total compensation paid for this complaint to £350.

My final decision

My final decision is that I uphold the complaint. AA Underwriting Insurance Company Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 March 2024.

Paviter Dhaddy
Ombudsman