

The complaint

Ms G complains about Accredited Insurance (Europe) Limited's (Accredited) handling of her claim, under her home insurance policy.

What happened

Ms G had a leak at her home. She instructed a trace and access contractor and paid for the leak to be repaired. After which, she made a claim with Accredited.

Ms G was displeased at the progress of the claim. She explained that she found it difficult to contact Accredited, there was a missed appointment, there was delay in Accredited supplying a dehumidifier and when it did, it hadn't been cleaned from the last use and debris was left in her home.

Ms G said that when asbestos was found in her home, she felt that Accredited hadn't taken reasonable steps in dealing with it. She felt that the work had been poorly carried out and the asbestos hadn't been removed. This resulted in Ms G instructing an independent contractor to remove the asbestos. Due to the poor service that Ms G experienced, she raised a complaint with Accredited.

In its final response, it accepted that there had been incidents of poor service for which it apologised. It accepted that it had missed an appointment. But didn't accept that the asbestos treatment was poor. It explained that it was going to send another team to carry out the removal, but Ms G instructed her own contractor. It said that the contact with Ms G had been reasonable, and it apologised for the issue with the dehumidifier.

Accredited further said that it would review any costs that Ms G had incurred for parking vouchers that she said she had to purchase for the trades who attended, and for the purchase of a vacuum cleaner. It made it clear that provided Ms G undertook some non-incident related damage, and provided proof of this, it would send its contractors to carry out the repair work caused by the leak. Accredited also awarded Ms G £100 compensation, for the trouble and upset caused.

Ms G was given her referral rights and as she remained unhappy with the outcome, she referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. She said that as Accredited had effectively only offered a cash settlement, our services approach in complaints like this, is to ask Ms G to obtain three quotes, (for the work as outlined in Accredited's scope of works) and Accredited make settlement, on the lowest quote. She also recommended that Accredited revisit the property, to ensure that the drying was complete and provide dehumidifiers if necessary. Finally, she recommended that Accredited increase its offer of compensation to £250.

Ms G accepted the view, Accredited accepted the increased compensation and to revisit to inspect whether the property was dry. But as to the settlement, it said that it would offer a

contractor to carry out the work. If Ms G couldn't wait for its contractor, then it said that Ms G could provide a quote that only covered items on the scope of works and had reasonable costs. So, it asked for a decision from 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.

Having done so, I will uphold this complaint, for similar reasons to that of our investigator. And I hope my findings explain why I think this is fair.

I have considered all the evidence and comments made by both parties. It should be noted that many of the issues that Ms G has raised as complaints, have now been resolved. That is, Ms G has indicated that she no longer has faith in Accredited or its contractors. As such, she said that she no longer wishes for them to carry out any repairs in her home. Moreover, she has accepted Accredited's offer of £587.87 for the electricity costs of heating her home, in place of Accredited re-attending to inspect whether the area is dry.

Accredited has accepted our investigator's recommendation to increase the amount of compensation to £250. This amount has been accepted by Ms G. So, for those two issues I won't comment any further.

The outstanding issue remains the settlement of the claim. As mentioned, the relationship between Accredited and Ms G has broken down. And Ms G has lost faith in Accredited.

It's right, that an insurer is entitled to choose how it decides to settle a claim. And having reviewed the policy terms and conditions, Accredited had the option to either carry out the repairs itself, or offer a cash payment for Ms G to obtain her own contractors. Where there is non incident related work that is required, then the only option available to an insurer is to offer a cash payment.

Having looked at the history of this complaint, it's clear that Ms G had initially indicated that she wanted Accredited to carry out the work. But in the final response, Accredited made it a condition of settling the claim, based on proof from Ms G, that she had completed non incident related work. Before, it would attend and carry out any works.

In these circumstances, we would say that Accredited was only effectively, giving Ms G one settlement option of paying cash. As it wasn't, at that time, allowing the use of its contractors to carry out the work unless Ms G undertook the additional work.

The policy terms state that Accredited are permitted to make a cash settlement on the amount that it would have cost it to carry out the repairs. Generally, insurers can obtain large discounts. And as such, it can complete repairs at a lower rate than a policyholder could.

Our service says that where a policyholder wishes to have a cash settlement, then it's fair for the cash settlement to be paid on the amount it would've cost the insurer to complete the repairs. But where the only option that an insurer is providing as a means of settlement is a cash payment, then our approach is that the amount of cash paid to the consumer, should be enough to put them back in the position they were in, before the loss or damage.

Accredited, since the issue of the final response, has indicated that it will offer its contractors to Ms G to carry out the work. Or it will make a cash settlement on a reasonable basis.

I asked Assurant what it meant by '*reasonable basis*'. It explained that it would be the same amount as its original cash offer. That is, £2,477.95 with a vat amount of £495.59 being reclaimable, if a vat registered contractor carries out the work and provides a vat receipt/invoice.

But given the breakdown of relationship between the parties and that it's unlikely that Ms G would be able to complete the repairs in her home for that amount. I think, its fair and reasonable for Ms G to obtain three quotes, which will be based on Accredited's scope of works. And for Accredited to offer a cash settlement, on the lowest of the three quotes.

I would advise Ms G to obtain three quotes (if she hasn't done so already), which should only cover the work included on Accredited's scope of works, promptly. And submit the lowest to Accredited.

Putting things right

Consequently, to put matters right, I direct Accredited as outlined below.

My final decision

For the reasons given, I uphold Ms G's complaint.

Accredited Insurance (Europe) Limited to:

Pay Ms G £587.87 for the electricity costs (if it hasn't already done so)

Pay Ms G £250 compensation for the trouble and upset caused (if it hasn't already done so)

Settle the claim based on the lowest quote, provided by Ms G and in line with Accredited Insurance (Europe) Limited's scope of works.

Accredited Insurance Europe Limited must pay the above amounts within 28 days of the date on which we tell it Ms G accepts my final decision. If it pays later than this, it must also pay interest on the amounts from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 13 February 2024.

Ayisha Savage
Ombudsman