

## **The complaint**

Mr and Mrs P complain about HDI Global Specialty SE's handling of claims they made under their buildings insurance policy.

Mr and Mrs P are joint policyholders. As most of the communication relating to the complaint has been from Mr P, I'll refer mainly to him in my decision.

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

## **What happened**

In October 2021, Mr and Mrs P made a claim under their buildings insurance policy with HDI for storm and flood damage to their property. HDI arranged for repairs to be completed to damage covered by their claim.

In August 2022, Mr and Mrs P made a second claim for storm damage. Repairs hadn't been fully completed for the damage covered by their first claim.

HDI's contractors then found that moisture levels in the property were high. HDI said no further repairs could be carried out until the source of the moisture was determined and addressed.

Mr P made several complaints about HDI's handling of the claims. In August 2023, he raised a complaint about a lack of progress since HDI had responded to his last complaint in March 2023.

HDI said that although there had been factors outside of its control, it accepted that it hadn't addressed some of the aspects that were under its control as proactively as it should have. It offered Mr and Mrs P £200 as an apology for the lapse in service and any inconvenience it had caused them.

Mr P remained unhappy and asked our service to look into his concerns. He said he was unhappy with the ongoing delays and lack of communication from HDI's agents. It had been two years since the first claim had been put through and, as a family, they were under exceptional stress and experiencing health issues associated with the dampness.

Our investigator didn't think HDI's offer of £200 was enough to put things right, given how long the claim had been ongoing. She recommended the compensation be increased to £400.

Mr P accepted our investigator's outcome. However, HDI didn't respond to our investigator's outcome so he advised both parties it would be considered by an ombudsman. HDI has since provided some comments from its loss adjusters.

As HDI doesn't appear to agree with our investigator's outcome, 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.

To be clear, in this decision I have only considered the events complained of that occurred from 3 March to 18 October 2023.

The relevant industry rules say an insurer should handle claims promptly and fairly. It should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

I can see that HDI arranged for contractors to inspect Mr P's roof in March 2023. HDI reached the conclusion that there were issues with the roof due to faulty workmanship. It told Mr P repairs to the roof weren't covered by the policy and he'd need to arrange these himself before repairs to the internal damage could take place. Mr P said he'd like HDI's contractors to carry out the work, but it told him this wasn't possible as they weren't available until May.

Mr P says repairs to his roof were carried out in April 2023. I can see that he emailed HDI's loss adjusters in mid-May to confirm that repairs had been carried out.

HDI has commented that Mr P said he'd paid a contractor by cash and no invoices or photographs were available, when asked about the roof repairs. It says he provided a letter dated June 2023 suggesting the roof was watertight and he was asked for confirmation from a bona fide contractor on headed paper whose details could be verified. Mr P said he was unable to provide this and in order to bypass the impasse, HDI agreed to proceed with the internal repair, with the caveat that insurers were not responsible for further ingresses or escalations in claims costs. When the contractors attended in September 2023, the bedrooms were wet again.

I can see that HDI's loss adjuster emailed Mr P over a month after he initially confirmed repairs had been completed. He said his predecessor had explained that rectifying the issues could not be considered as part of Mr P's claim, yet they did not appear to have received confirmation that the defects had been rectified. Mr P responded the next day referring to his email of 18 May, where he'd informed HDI of the repairs. I can't see that HDI told Mr P what evidence it would need to see regarding the repairs, prior to him having the work carried out. It's also unclear when it told him the information he'd provided about the repairs was insufficient.

HDI has noted that the contractors observed several issues with the roof and the front and rear elevations of the house, which could be the cause of recurring damp. I can see that the loss adjuster emailed Mr P advising him of this in October 2023, almost a month after the visit.

In March 2023, HDI told Mr P that floorboards would need to be removed so that further investigations could be carried out to determine the cause of damp downstairs. The strip out work doesn't appear to have been authorised until late June and contractors were sent to carry out the work in August.

It's unclear why it took five months for contractors to be sent to carry out the strip out works. I note that the original contractors weren't able to do the work, so HDI had to appoint different contractors. However, the new contractors were appointed in May.

HDI has noted that when contractors attended to carry out the strip out work in mid-August, Mr P didn't want it to be done as he wanted furniture to be put into storage first. I can see that the original contractor told HDI the lounge and dining contents would need to be stored before the floor was lifted back in April 2023. So, there appears to have been some sort of breakdown in communication here.

Looking at HDI's file notes, I can also see many occasions when Mr P chased for updates and responses to his emails and calls.

I appreciate that some factors delaying the progress of Mr P's claims have been outside of HDI's control. But I think it is responsible for some of the delay in progressing the claim. And I don't think HDI has communicated with Mr P as clearly as it should have done.

Mr and Mrs P have been living in a damp property for a considerable length of time and Mr P says the ongoing delays and lack of communication have had a huge impact on their health and wellbeing. HDI's poor communication has also caused Mr P frustration and inconvenience as he's had to chase for updates and responses. So, I think it would be fair for HDI to pay them £400 to recognise the impact of HDI's poor service on Mr and Mrs P for the period I've considered. This includes the £200 it offered them in its final response letter of 18 October 2023.

### **Putting things right**

HDI should pay Mr and Mrs P £400 for distress and inconvenience.

### **My final decision**

For the reasons I've explained, I uphold Mr and Mrs P's complaint and direct HDI Global Specialty SE to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 6 March 2024.

Anne Muscroft  
**Ombudsman**