

The complaint

Miss O has complained about how Covea Insurance plc (Covea) dealt with a claim under a home insurance policy.

What happened

Miss O made a claim for a water leak at her property. Miss O later complained about delays with the claim, the poor quality of some of the work and the impact this had on her. When Covea replied, it accepted there had been issues with the claim, including delays. It offered £350 compensation.

When Miss O complained to this service, our investigator upheld it. He said there were significant delays during the claim and some of the work needed to be redone. There was also a large discrepancy between how much Covea said the remaining work would cost and Miss O's own quote. He said Covea should appoint a loss adjuster to review the work and progress the claim. This included reviewing the outstanding works and the discrepancy between the quotes. Contractors had also been removed from the works, but it wasn't clear why new ones hadn't been appointed. He said Covea should also pay a total of £1,000 compensation for the impact on Miss O.

As Miss O didn't agree with the level of compensation, the complaint was referred to me.

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 uphold this complaint. I will explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So, I've thought about what happened and how Covea has dealt with the claim in this context.

This has clearly been a lengthy claim. Looking at what happened, I can see there were difficulties identifying the source of the leak and whether there was more than one, along with confirming whether any leaks had been successfully stopped. The property also needed to be dried. I can also see there were a range of avoidable delays during this claim. Some related to these issues, but also more widely.

During the claim, both Covea and Miss O seemed to identify issues with the quality of a contractor's work. This meant some of the repairs needed to be redone. I'm aware the contractor also decided it couldn't continue with the work due to some comments made by Miss O. When this service asked Covea why it hadn't then appointed new contractors, it said it didn't know why this was the case.

It's my understanding that the contractor also made Miss O a cash settlement offer. However, there was a significant difference between the amount offered by the contractor

and the costs in Miss O's own quotes. Covea hasn't been able to explain why there were differences or whether the contractor's offer was reasonable.

So, I think there were issues with progressing the claim and, at times, a lack of focus or understanding on how it should progress. Covea is unable to explain why some decisions were made, including the next steps when the contractor stopped its work.

As a result, I think Covea needs to appoint a loss adjuster to review the claim. This should include assessing the quality of the work to date and what needs to be redone. The loss adjuster should also look at what work remains outstanding as part of the claim and how this should be settled in line with the terms and conditions of the policy. I'm also aware the cash settlement offered by the contractor, which was about £2,000, was significantly less than Miss O's own quote, which was for about £20,000. So, Covea needs to assess the quotes. It should explain to Miss O what is and isn't covered by the claim and the reasons for this. It should also make a fair settlement, whether that is a cash settlement or by it carrying out the repairs.

I'm aware there were also issues with the alternative accommodation. When the works were due to start, Covea agreed to alternative accommodation for Miss O. However, due to the impact on her child of living elsewhere, Miss O decided to move home while the works were still ongoing. I'm aware Miss O said her child got an eye infection due to the dust from the works. Miss O then moved out of her home and arranged her own accommodation. It's my understanding that the costs to cover alternative accommodation have already gone over the amount payable under the policy terms, which might mean that not all of her accommodation costs are reimbursed. However, Covea should assess the alternative accommodation costs in line with the policy terms and conditions and ensure it has reimbursed Miss O any agreed costs covered by the claim.

I've also thought about compensation. Miss O has described how the handling of the claim has affected her. I'm aware Miss O said her child got an eye infection and that she was also pregnant during the claim. She has also described the impact on her mental health and I've read the medical evidence she provided. Having thought about this carefully, I think Covea should pay a total of £1,000 compensation. I think this fairly reflects the impact on Miss O of the issues that form part of this decision and is in line with this service's approach to compensation. I'm aware Miss O has said this isn't enough compensation. I've thought about this and I remain of the view that this amount is fair in the circumstances.

I'm aware Miss O is concerned the claim is still ongoing and that it continues to impact her, including that she still feels unable to return home. However, I'm unable to take this into account in my decision. Miss O would need to raise this with Covea so it can consider this.

Putting things right

Covea should appoint a loss adjuster to assess the claim to date and what remains outstanding, including the quotes. It should explain the loss adjuster's findings to Miss O and how the claim will be settled in line with the terms and conditions of the policy. It should also ensure it has reimbursed any agreed costs for alternative accommodation and pay a total of £1,000 compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Covea Insurance plc to:

- Appoint a loss adjuster to review the work to date, identify work that needs to be redone or that remains outstanding as part of the claim.
- The loss adjuster should also assess the cash settlement offer made to Miss O and her own quote for work at the property and identify what is covered as part of the claim.
- Explain the loss adjuster's findings to Miss O and how the claim will be settled in line with the terms and conditions of the policy.
- Ensure it has assessed and reimbursed Miss O any payments she made for alternative accommodation that are covered as part of the claim, in line with the terms and conditions of the policy.
- Pay a total of £1,000 compensation, which includes the £350 previously offered.

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

Louise O'Sullivan
Ombudsman