

## **The complaint**

Mr N and Mrs N complain about Haven Insurance Company Limited (“HIC”) and the service provided to them after they made a claim on their home insurance policy.

Mrs N has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made by either Mr N or Mrs N as though they were made by Mrs N where appropriate throughout the decision.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, in line with the informal nature and approach of our service, I don’t intend to list them chronologically in detail.

But to summarise, Mr N and Mrs N held a home insurance policy, underwritten by HIC, when their home was damaged due to an escape of water from a neighbouring property in early 2022. So, they contacted HIC to make a claim. HIC accepted the claim, and appointed a third-party company, who I’ll refer to as “D”, to manage the claim on their behalf. D were acting as an agent of HIC and so, HIC remain responsible for the actions taken by D, and the contractors D instructed themselves.

But Mrs N was unhappy with the service she received during the claim process, so she raised several complaints. These included, and are not limited to, Mrs N’s unhappiness with the fitting of the replacement flooring, delays during the claim process, the behaviour of D and their contractors and the communication during the claim process overall. So, Mrs N wanted HIC to ensure the reinstatement work was completed to ensure her home was returned to its pre-loss condition. And she wanted to be compensated for the distress and inconvenience she and her family had been caused.

D responded to Mrs N’s complaint on behalf of HIC and upheld it in part. They recognised the flooring laid by them had abnormal levels of movement. But they didn’t think it was because of something they had done wrong, and they explained they were awaiting approval for a further assessment to agree next steps. But they accepted there were unnecessary delays and a lack of communication and so, they offered to pay Mr N and Mrs N £500 compensation to recognise this. Mrs N remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it, recommending HIC take the following action:

- Arrange for the flooring and levelling compound to be removed and repair Mr and Mrs N's floor with flooring of the same or similar quality as their previous floor – in line with the recommendations offered by D's report of 12 December 2023 at their earliest opportunity
- Schedule any remaining works required to take place after the floor install as soon as practicable after flooring replacement is complete.
- Reimburse Mr and Mrs N for the cost of the independent report.
- Clean and fit back the stair carpet on completion of work or replace if the carpet can't be cleaned to its pre-loss condition.
- Repair any damage caused by contractors to the inside and outside of Mr and Mrs N's home.
- Pay compensation of £1500 on top of the £500 already issued.

Mrs N accepted these recommendations, while also putting forward her suggestions about what she felt would be a potential way forward.

HIC also accepted the recommendations regarding the flooring, scheduling of remaining works and any repairs to damage caused by contractors subject to scoping, the reimbursement of Mrs N's independent report and the cleaning or replacement of the carpet. But while HIC did agree an additional compensatory payment should be made, they didn't agree with our investigator's £1,500 recommendation, setting out why they felt this was unreasonably high, relying on a timeline and other documentation provided by D. As HIC didn't agree with all our investigator's recommendations, the complaint has been passed 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached this decision, I think it would be useful for me to explain what I've been able to consider, and how. I want to make it clear it's not my role to re-underwrite the claim, as neither I nor our service has the expertise to do so. It's also not my role, or the role of our service, to act as a claims handler and manage the claim on either party's behalf.

Instead, it is my role to consider the actions HIC have taken and decide whether I think they have acted fairly and reasonably. Where I think they haven't, I've then thought about what I think HIC should do to put things right. And crucially, I'm only able to consider the events and issues that occurred up to the point of HIC's complaint response, as set out in the rules and regulations put in place by the industry regulator.

And when considering the above and when setting out the reasoning for my decision, I've done so in line with our service's informal approach.

So, I may not comment on every point raised by either party. But I want to reassure both party's that I have considered all comments and representations that have been put forward.

In this situation, I note Mrs N has accepted the recommendations put forward by our investigator to resolve her complaint. And HIC have accepted most of the recommendations. HIC have accepted that the flooring in Mrs N's home needs to be removed and re-laid with flooring of the same or similar quality to their floor pre-loss, in line with recommendations set out by the independent report obtained by Mrs N, and a later report provided by D. And HIC haven't provided comments, or disputed, our investigators recommendation that the costs Mrs N incurred obtaining this independent report should be reimbursed.

HIC have also accepted they should schedule any remaining works required to take place after this installation as soon as practically possible. And that they should clean and fit back the stair carpet, or if this isn't possible replace it as well as repair any damage caused by their contractors to the inside, or outside of Mrs N's home.

As all the above no longer remains in dispute, and has been accepted by both parties, I think it's reasonable for me to assume the merits of the complaint issues that resulted in these recommendations have also been accepted. So, in keeping with our service's informal approach, I don't intend to discuss the merits of these issues, and the recommended directions, in any further detail.

Instead, I've focused my decision on what I think does remain in dispute. And in this situation, HIC's dispute centres around the £1,500 additional compensation our investigator recommended they should pay to recognise the distress and inconvenience Mrs N and her family have suffered. So, I've thought about what I think HIC should do to reasonably put things right, focusing specifically on this recommendation

### **Putting things right**

When thinking about what I think HIC should do to put things right, any award or direction I make is intended to place Mr N and Mrs N back in the position they should've been in, had HIC and their agents acted fairly in the first place.

In this situation, had HIC acted fairly, I think it's now been accepted that a different replacement floor would've been laid that was more similar to the flooring Mr N and Mrs N had pre-loss. So, I think the directions already set out above, that are no longer in dispute, ensure Mr N and Mrs N are placed back in that position once all the directions have been satisfactorily carried out.

But crucially, I don't think these directions recognise or address the distress and inconvenience Mr N and Mrs N, and their young family, have been caused during the claim process.

I note HIC have already offered to pay Mr N and Mrs N £500 to recognise delays and a lack of communication during the claim process. While HIC didn't define exactly what delays and communication issues this offer referred to, I think it's reasonable for me to assume this offer represents HIC accepting they could've progressed the claim more effectively. And that they could've communicated with Mr N and Mrs N better during this time.

And in response to our investigator's recommendation, HIC again accepted a further payment should be made to recognise the impact on Mr N and Mrs N, instead disputing the amount recommended. So again, I think it's reasonable for me to assume HIC accept Mr N and Mrs N have been impacted by their failures, that haven't been fairly recognised by their first offer of £500.

So, I've thought about what I think a fair compensatory payment should be, considering our service's approach to awards for distress and inconvenience, which is well documented and available to the public. Having done so, I think the additional £1,500 recommended by our investigator is a fair one, that falls in line with this approach and what I would've awarded, had it not already been put forward. And I'll explain why.

While I recognise why HIC feels they acted promptly to understand the issues with the flooring and what steps were available to rectify this, from the reports I've seen I think it's now accepted that the floor installation completed by the contractors acting on HIC's behalf was incorrect, using flooring that was unsatisfactory considering Mrs N's property and how the floor itself was levelled. I note HIC feel this flooring was laid after being chosen by Mrs N, but from what I've seen Mrs N's choice was made based on options put forward by HIC's agents. And it's accepted this flooring wasn't a like for like replacement of a similar quality and design, as I would've expected. Nor was it installed correctly.

So, this failure, which HIC are ultimately responsible for, led to Mrs N and her family living in a home with unsatisfactory flooring for over a year, when a reasonable amount of time is factored in to consider the time HIC needed to take to validate the claim, and complete the work. And I think this would've been both inconvenient and upsetting for Mrs N and her family, considering this flooring was laid, or partially laid, in all the main living areas of her home and so, she would've been reminded about her unhappiness with this daily, over a significant period of time.

And this must also be considered against the fact that Mrs N initially raised her concerns regarding the flooring in November 2022. And I think there was then an eight-month delay in HIC trying to find alternative solutions to make the existing flooring work, when it has since transpired that this wasn't possible. During this process, Mrs N has needed to engage extensively with HIC, continuously putting forward her arguments as to why she was unwilling to accept workarounds HIC put forward, all of which I've considered and feel were unfair and unreasonable. Ultimately, this led to Mrs N engaging a surveyor to produce an independent report to support her opinion, which would've come at a cost, and caused some inconvenience.

And during this time, this prevented other required repair work from being completed, as the flooring issue needed to be resolved first. So, Mrs N and her family were left living in a home with multiple unresolved issues for well over a year from when they first reported the claim, which I don't doubt would've been frustrating, and inconvenient. I think an additional payment of £1,500 fairly factors in the impact I've described above.

I must also then consider the other issues Mrs N encountered. I've seen that Mr N and Mrs N have two young children. And that, during the claim process, there were several issues that I think presented a danger to Mrs N, and her family. This includes knife blades being left around her house, which I'm satisfied would've most likely been caused by the contractors in Mrs N's home, instructed by HIC. This also includes the months that Mrs N was left with her downstairs toilet being unconnected, leaving a sewage pipe uncovered. I've seen HIC's agents also left off cuts of skirt and other materials being stored and left misplaced around Mrs N's home, impacting her use of rooms in her home, that she had to arrange to move herself. Considering there were young children living in the home, I think this increases the impact caused to Mrs N regarding these issues, as I think it's likely to have heightened the worry and frustration she would've felt. And I think an additional payment of £1,500 fairly reflects this increased impact.

I also note that during the claim process, Mrs N has stated there has been additional damage caused to her property, both inside and out.

Considering Mrs N purchased a policy with HIC to assist her both practically and financially in a situation such as the one she found herself in, and the actions of their contractors have caused further issues, I can understand the upset and frustration this would've caused.

So, having considered all the above and our service's well documented approach to awards for distress and inconvenience, I think our investigators recommendation of an additional £1,500 payment, on top of the £500 already offered by HIC, is a fair one. And so, this is a payment I am directing HIC to make, alongside all the other directions that have already been accepted.

I note that since our investigators recommendation, Mrs N has provided suggestions and additional information regarding a way forward she thinks may be most practical and agreeable. Whilst I have read through all this information, I want to reaffirm again that it's not our services role to claims handle. If Mrs N and HIC did feel that a cash settlement would be more appropriate, or more agreeable, following discussions about how to implement my directions set out below, it would be for them to discuss and agree. Should Mrs N be unhappy about any proposed cash settlement, or any actions taken following this decision, she would need to raise a new complaint with HIC who would then be expected to handle the complaint through their own complaint process in the first instance.

And for the same reasons, I'm unable to direct set time frames for HIC to complete the directions set out below, as there can be external factors that need to be taken into consideration. Nor can I tell HIC which agents they should use. But I want to be clear that, should Mr N and Mrs N accept my decision, I would expect HIC to act promptly to ensure the claim progresses in a fair and reasonable way. And Mrs N is again able to raise further complaints should she remain unhappy with the claim process moving forwards.

### **My final decision**

For the reasons outlined above, I uphold Mr N and Mrs N's complaint about Haven Insurance Company Limited and I direct them to take the following action:

- Arrange for the flooring and levelling compound to be removed and repair Mr N and Mrs N's floor with flooring of the same or similar quality as their previous floor – in line with the recommendations found in D's report from December 2023 and Mrs N's own independent surveyors report;
- Schedule any remaining works required to take place after the floor install as soon as practicable once the flooring replacement is complete;
- Reimburse Mr N and Mrs N for the cost of the independent report they obtained;
- Clean and fit back the stair carpet on completion of the work or replace it if the carpet can't be cleaned to its pre-loss condition;
- Repair any damage caused by its agents to the inside and outside of Mr N and Mrs N's home; and
- Pay Mr N and Mrs N an additional compensatory payment of £1,500, taking the total compensation amount they receive to £2,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 31 October 2024.

Josh Haskey  
**Ombudsman**