

The complaint

Mr and Mrs R complain about the settlement Fairmead Insurance Limited (Fairmead) offered as well as delays in its handling of their claim for fire damage, under their home buildings insurance policy.

What happened

In July 2022 a fire caused damage to Mr and Mrs R's kitchen. They contacted Fairmead to make a claim. As they weren't satisfied with its handling of the matter they made a complaint. The business responded in April 2023. Mr and Mrs R raised a further complaint about the settlement payment Fairmead offered as well as delays in its claim handling.

In its final complaint response dated 5 October 2023 Fairmead says the quotes Mr and Mrs R provided differ from the scope of works it had produced. It says it offered a settlement payment for £2,723.02 net of £250 policy excess. It later increased this offer to £3,055.24 net of the policy excess. This was to include a replacement cupboard door. Fairmead says this is the limit of its liability. It says it isn't able to include repairs to areas not damaged by the fire.

In its response Fairmead acknowledged issues with the service it had provided since it responded to Mr and Mrs R's first complaint in April 2023. It offered them £300 compensation.

Mr and Mrs R didn't think they'd been treated fairly by Fairmead and asked our service to consider the matter. Our investigator didn't uphold their complaint. She says the business is expected to repair or replace items that are damaged. She says there was no evidence to show the entire kitchen was damaged and needed replacing.

Our investigator thought it was fair that Fairmead had offered to repair, and where necessary replace, the damaged parts of the kitchen. This included the replacement cupboard door. She thought it was reasonable that a cash settlement was offered as an alternative. She also considered the compensation the business had offered for poor service was fair.

Mr and Mrs R disagreed with this outcome. They say it's not possible to replace the cupboard door with an exact match. This means what Fairmead intends to do won't return their kitchen to its pre-loss condition. They also remain unhappy with the handling of their claim, including the time taken for Fairmead to reach its decision. Because they remained unhappy they asked for an ombudsman to consider their complaint.

It has now 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'm not upholding Mr and Mrs R's complaint. I'm sorry to disappoint them but

I'll explain why I think my decision is fair.

Mr and Mrs R's policy terms explain that in the event of a claim Fairmead will need to establish liability and where necessary determine the claim value. To do this it may need to request estimates for building repairs and replacement items. It may also need to arrange for an inspection by a loss adjuster in order to arrange repairs or to agree a cash settlement.

I can see that an inspection of the damaged kitchen was carried out. I've seen the scope of works (SOW) that was produced. I've also seen the quotations Mr and Mrs R provided for the repairs. However, the work specified in their quotes includes additional work to that set out in the SOW and at a significantly higher cost.

The SOW confirms the damaged areas include the wall units adjacent to the hob where the fire occurred, the extractor unit, the hob, and cupboard doors to the left-hand side of the hob.

It's apparent that Mr and Mrs R hold strong views that the cupboard doors can't be replaced with an exact match. They say the colour of the kitchen units changes over time, and their kitchen has since been discontinued. They have provided photos showing a replacement cupboard door they bought. In the photos this is placed against the existing units. I note their comments that the doors don't match.

Fairmead's contractor has confirmed that it's able to source a match for the cupboard door. I can understand that Mr and Mrs R don't want to have mismatched cupboard doors in their kitchen. If Fairmead isn't able to provide a suitable matching replacement, it will need to reconsider this point. But I'm not persuaded that Mr and Mrs R have shown that a match can't be found.

I can't see that Mr and Mrs R's policy covers undamaged items. If Fairmead was unable to provide a match for the kitchen cupboard I may consider it fair that it provides a contribution towards replacing the undamaged cupboard doors. But that isn't the case here. So, I don't think Fairmead behaved unreasonably when offering to repair and replace the damaged items or provide a cash settlement.

I've thought about Mr and Mrs R's comments that they received poor service and experienced delays during Fairmead's handling of their claim. I've read the claim records and correspondence that was exchanged. The fire occurred in July 2022, so it has taken some time to reach the point of a final settlement being offered. But based on what I've read the time this took is largely due to Mr and Mrs R disagreeing with Fairmead's approach to the settlement of their claim.

Fairmead isn't responsible for repairing or replacing items not damaged by the fire. The inspection report shows the damage was localised around the kitchen hob. Mrs R was able to put the fire out fairly quickly with the use of a fire extinguisher. It's fortunate that she was able to prevent more damage being caused. But from what I've seen Mr and Mrs R's view of the work they want doing to their kitchen exceeds that provided by their policy.

I acknowledge what Mrs R says about the need for two separate kitchen areas, in order to prepare different types of food. I'm sorry that the damage to her kitchen caused her inconvenience and distress. But I don't think Fairmead behaved unreasonably in its approach to handling Mr and Mrs R's claim. So, I won't ask the business to more than the £300 compensation it paid.

In summary I don't think Fairmead treated Mr and Mrs R unfairly when considering their claim and offering a repair or a cash settlement. I think its offer of compensation is reasonable to acknowledge delays in the overall handling of the claim. So, I won't be asking

Fairmead to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 23 March 2024.

Mike Waldron
Ombudsman