

The complaint

Mr N and Mrs D complain about delays and the poor handling of their claim by Gresham Insurance Company Limited's (Gresham) following an escape of water, under their home buildings insurance policy.

What happened

In January 2023 Mr N and Mrs D noticed a leak in their kitchen coming from their dishwasher. The leak was fixed, and they contacted Gresham to make a claim for damage to the flooring and kitchen units. Whilst they were waiting for repairs to be arranged another leak occurred in their back room, which contained a shower and toilet. They say that when Gresham's contractors attended they removed tiles in the back room and left humidifiers to dry out the area. But did nothing in the kitchen.

Mr N and Mrs D say they were later told to log another claim for the kitchen as this had to be dealt with separately. This meant there was a significant delay in drying work and repairs to the kitchen. Mr N and Mrs D say this happened because of confusion and poor communication on the part of Gresham's claim handlers. This has meant living with a damaged kitchen and shower room for a long period. Mr N and Mrs D are both suffering from ill-health and say this has caused much distress and inconvenience.

In its final complaint response Gresham apologised for delays and confusion with its handling of Mr N and Mrs D's claim. It says once a second claim has been registered this will be dealt with by its surveyor. Gresham confirmed it had paid £450 as a goodwill gesture and an apology to Mr N and Mrs D.

Mr N and Mrs D didn't think Gresham had treated them fairly, so they referred the matter to our service. Our investigator upheld their complaint. He says Gresham's contractors had only arranged to dry the shower room not the kitchen. Over the following months he says there was some confusion about the leaks that had occurred, and what repairs needed to be done. This resulted in very little progress being made.

Our investigator acknowledged that eventually Gresham told Mr N and Mrs D to make another claim so that the damage caused by both leaks could be repaired. Gresham subsequently offered a settlement payment in September 2023 that allowed Mr N and Mrs D to pay for the repairs. Our investigator thought Gresham handled the claim poorly resulting in the kitchen remaining damp, and the repairs remaining outstanding for many months. This left Mr N and Mrs D without a usable downstairs toilet and shower room for around nine months. He acknowledged the impact this had on Mr N and Mrs D given that they are elderly and already suffer from health concerns.

Our investigator thought Gresham should pay a further £250 on top of the £450 it had paid to compensate for the impact its poor claim handling had on Mr N and Mrs D.

Mr N and Mrs D didn't think the compensation was enough and asked for an ombudsman to consider their complaint.

It 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'm upholding Mr N and Mrs D's complaint. I won't be adding to the compensation our investigator thought was fair. I understand this will come as a disappointment to them. But I'll explain why I think my decision is fair.

I've read the claim records Gresham provided. This shows Mr N and Mrs D first notified Gresham of their claim on 26 January 2023. The notes don't provide much detail to clarify where the leak was first reported. The next record of any substance is in July. Mr N and Mrs D contacted Gresham to say they'd received no updates and the repairs weren't progressing.

A record dated 25 July 2023 refers to a contact from Mr N. He says tiles had been removed and dehumidifiers installed when the claim was first made. The dehumidifiers were removed on 27 June, but nothing had happened since. Mr N says he'd received confirmation a case handler had been appointed two months ago. But there had been no further contact. The record says the original claim was for the kitchen, but the damage had spread to other areas of the house. The note says Mr N was annoyed that he'd been waiting for months without an explanation.

On 11 August 2023 the records show Gresham sent an email to Mr N and Mrs D. It refers to confusion about the two leaks that occurred. This meant its contractor focused on working in the backroom/shower room and not the kitchen. The note says the current claim is for the shower room and another claim needs to be registered for the kitchen. Mr N and Mrs D were told to call Gresham's claim line to make another claim. But until this was done the kitchen claim couldn't be progressed.

I can see a 'virtual' claims manager was appointed in August 2023. She contacted Mr N and Mrs D to reconfirm that they must make another claim for the kitchen. Their representative arranged for this to be done in September. Quotes for the repairs were also provided. The claim records show a new claims manager was appointed on 20 September. She contacted Mr N and Mrs D by email to say she'd been appointed due to the value of their claim. A site visit was arranged for 28 September.

I can see the claims manager emailed Mr N and Mrs D on the same day as her site visit. She explained that certain aspects of the claim they had made wouldn't be covered. This included undamaged appliances, wiring that wasn't damaged, as well as other repair work set out in their quotes that didn't relate to damage caused by the leaks. The email confirms an offer for £33,000. I can see additional costs were discussed and agreed. The final settlement was confirmed as £35,111.57 at the end of September.

Based on this evidence Gresham handled the claim poorly. The business doesn't dispute that the initial claim was for a leak in Mr N and Mrs D's kitchen. But due to "*crossed-wires*" drying work was only arranged for the shower room. It took around six months and contacts from Mr N and Mrs D before any progress on the kitchen claim was made. Mr N and Mrs D are elderly and in poor health. I don't think it was fair that they were told to make another claim by calling Gresham's claim line. The business should've contacted them to explain what was needed and to set this up. They'd already made a claim for the kitchen around six months prior to this.

I understand that Mr N and Mrs D's health was impacted by the ongoing dampness in their kitchen. They couldn't use the downstairs shower and toilet for a long period. They were also caused frustration and distress by the delays and poor handling of the claim by Gresham. This meant making numerous contacts to chase progress and establish what had gone wrong.

Some of the repair work set out in Mr N and Mrs D's quotes wasn't related to damage caused by the leaks. These costs had to be assessed and removed by Gresham's claims handler when calculating a settlement offer. But this didn't create much of a delay. The delays and poor service were the result of mistakes, lack of effective claim handling and confusion on the part of Gresham and its contractors.

In these circumstances I think it's fair that Gresham pays Mr N and Mrs D compensation. I don't think what it paid them is adequate given the time they were without their downstairs shower and toilet. As well as for the ongoing damp and around eight months of delay before the repairs commenced. This experience has been very distressing for Mr N and Mrs D. Gresham isn't responsible for the leaks occurring in the first place. But it is responsible for handling the claim effectively to avoid creating unnecessary inconvenience and distress. It failed to do that here. Because of this I agree with our investigator that it should pay Mr N and Mrs D an additional £250 compensation on top of the £450 it has already paid.

My final decision

My final decision is that I uphold this complaint. Gresham Insurance Company Limited should:

- pay Mr N and Mrs D £250 on top of the £450 compensation it already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr N to accept or reject my decision before 12 April 2024.

Mike Waldron
Ombudsman