

## **The complaint**

Miss R's representative complains on her behalf about the way Accredited Insurance (Europe) Limited (Accredited Insurance) handled her claim, and about the settlement amount offered, after she made a claim on her home buildings insurance policy.

References to Miss R, or her representative, will include the other.

There are several parties and representatives of Accredited Insurance involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Accredited Insurance.

## **What happened**

In April 2023 Miss R made a claim on her home buildings insurance policy after there was a water leak from a shower in her home. Water had escaped into multiple rooms causing damage.

After Miss R made the claim with Accredited Insurance she also engaged a loss assessor to progress the claim on her behalf.

Accredited Insurance instructed its approved claims partner to deal with the claim and there were initial delays in starting the claim process. A joint meeting between Accredited Insurance and Miss R's representative to assess the scope of works did not happen until 8 June 2023.

During the assessment of damage Accredited Insurance's claim partner wore body cameras to capture the findings of the assessment. Miss R was not happy with this process. It also said it needed to remove a section of ceiling to check if there was insulation present, but this was refused by Miss R. Her representative said Accredited Insurance had not taken into account her personal family circumstances when undertaking the assessment.

Accredited Insurance's approved claims partner completed a scope of works. It made a cash offer for the repairs and also offered for its own contractors to complete the repairs required.

Miss R's representative also obtained a quote for the work to be completed and this was a much higher amount than the cash offer from Accredited Insurance.

As Miss R's representative was not happy with Accredited Insurance, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and thought it was reasonable for Accredited Insurance to offer a settlement in line with what it would cost it to do the work itself and it did not need to increase the settlement offer. But it should apply 8% statutory interest to the settlement amount from the date the settlement was offered. They were satisfied the claim could have progressed better so said Accredited Insurance should increase its offer of compensation to £150.

As both Miss R and Accredited Insurance are unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

### ***What I initially said***

#### ***Delay and inspection of damage***

*After Miss R made her claim on 1 April 2023 I saw that Accredited Insurance instructed its approved claims partner soon after.*

*I saw the provisional appointment offered was not convenient for Miss R and she informed Accredited Insurance that it should deal with the loss assessor she had engaged with. I saw a joint site visit with Accredited Insurance and Miss R's loss assessor was not arranged until 1 June 2023. As Miss R's representative was then unable to attend, it was rearranged and took place on 8 June 2023.*

*Miss R's representative did inform Accredited Insurance in advance that she did not want its claim partner to use the camera as it would be disturbing to a family member with special needs.*

*I do understand this would be a worry to Miss R, but as she was aware of this prior to the site visit she had opportunity to make alternative arrangements for the family member not to be present. I accept this will have been inconvenient for her to arrange, but use of a camera is not unusual practice in this situation. It ensures there is an accurate record of the visit and the findings. The recording can also be used as reference during the claims process and may avoid any further visits being needed. In this case it is likely more visits would have been needed if a recording had not been made.*

*Accredited Insurance accepted it had caused a delay and offered Miss R £75 compensation in view of this.*

*I think the £75 offered should be increased to £150 to take into account Miss R's personal family situation and how this avoidable delay caused upset and frustration in an already highly stressful situation.*

#### ***Settlement offer***

*I saw Accredited Insurance made Miss R a cash settlement offer of £6129.01 plus VAT. Miss R's representative has said the cash settlement does not reflect current market values. They submitted a quote for £10,936.36 plus VAT.*

*Miss R's representative asked for a breakdown of costs of Accredited Insurance's scope of works so a comparison could be made. He said Accredited Insurance had not been open with its contractor's costs and so he had been unable to validate them. The representative said that there has been no negotiation on the settlement amount.*

*Accredited Insurance said this was commercially sensitive information, so a breakdown of costs was not provided. It did provide a full scope of works that detailed all the work that it had verified was required and this would enable a comparison of all the work to be made and any differences in scope could be discussed.*

*I saw that Miss R's representative said insulation in the ceiling needed to be replaced. This was not included in Accredited Insurance's scope of works. It said it needed to make an inspection hole in the ceiling to verify if there was insulation in place above the ceiling but it*

*didn't obtain Miss R's permission to do so. It said without doing this it could not include replacement of this in its scope of works.*

*Miss R's representative said it was unreasonable for Accredited Insurance to need to remove a section of ceiling to see if insulation was wet because it was evident the escape of water had cracked the kitchen ceiling and affected several rooms within the property.*

*Accredited Insurance said it needed to verify if insulation was present above the ceiling, not if insulation was wet. Again I do understand that due to the complex special needs of a family member Miss R did not wish this to happen as it would be disturbing to them.*

*However I do not think it unreasonable for Accredited Insurance to want to verify the presence of any insulation to enable it to have a full picture of the materials and damage before agreeing any requirement to replace and repair.*

*I saw that Accredited Insurance have said it would review this issue if evidence was provided that insulation was present. And it confirmed it had included a new laminate floor to the bedroom in the cash settlement offer.*

*I looked at the terms and conditions of Miss R's home insurance policy. On Page 24 it says;  
"Settling claim under buildings covers  
When settling your claim, if we decide that we can offer rebuilding work, repairs, or replacements we will ask you to choose one of the following options  
A we will choose a contractor (our preferred contractor) and instruct them to carry out the rebuilding work, repairs or replacements  
B We will pay you a cash settlement for the same amount as it would have cost us to use our preferred contractor."*

*The offer of cash settlement was made on 14 July 2023 and I think Accredited Insurance has been fair and within the terms and conditions of the policy with its offer. And it also gave both settlement options to Miss R.*

*Miss R did not wish anyone associated with Accredited Insurance to carry out any repair works.*

*As Accredited Insurance has confirmed it will include the costs to replace any insulation in the ceiling of Miss R's property to its scope of works if it's found to be present, it should now progress with its initial settlement payment. Then if the presence of insulation is validated, it should also settle for the supply and fitting of this. I have also seen it will consider a disturbance allowance while Miss R and her family member is staying with family during the reinstatement works.*

*I understand Miss R will be disappointed with my view, but I think the insurer has been reasonable with its settlement offer. Claims are stressful even when they are straightforward. In this case I do realise Miss R's personal circumstances have made the claims process even more challenging and stressful.*

*As I have found the validated claim settlement to be fair I do not require Accredited Insurance to pay any interest on this amount. This is because interest on an unpaid claim settlement offer can only be made when we've found the settlement was unfair.*

*Therefore, I intend to uphold Miss R's complaint and intend to require Accredited Insurance to pay her £150 for the delays at the start of the claim process.*

## **Responses to my provisional decision**

Miss R's representative responded and said

- Although I had mentioned the special needs of a family member he did not think I had also taken into consideration the vulnerabilities of Miss R.
- In the scope of works provided by Marshmallow it had not included the dismantling and the rebuilding of the wardrobes.
- He did not believe that the work could be carried out for this cost and suggested an independent surveyor to price it.

Accredited Insurance did not respond to the provisional decision.

Accredited Insurance did respond to my request for information on the wardrobes. It confirmed it had not included these in the scope of works and it would now be added.

### **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.

#### ***In response to Miss R's representative's comments***

- Although I did not mention Miss R's specific vulnerabilities in my provisional findings they were considered.
- I can confirm that I have reviewed the costed scope of work, but I am unable to insist Marshmallow shares commercially sensitive information with Miss R's representative. Miss R's representative has had the opportunity to highlight any differences in scope and these have been discussed and addressed.
  - Accredited Insurance has advised it will consider any additional costs if there is evidence of insulation in the ceilings or wet joists.
  - Accredited Insurance has agreed it had not included the dismantling and rebuilding of the wardrobes in its scope of works. It said it would now review the scope to include these and send the new settlement figure out to Miss R and her representative.
- As previously said, it is reasonable for Marshmallow to offer the amount it would cost it to conduct the repairs. It has a contractor available to carry out the works and its cash offer is based on its contractor agreed costs.

Based on the evidence I have reviewed I maintain my provisional decision and I uphold Miss R's complaint and require Accredited Insurance to pay her £150 for the delays at the start of the claim process.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Accredited Insurance (Europe) Ltd to pay Miss R £150 for the delays at the start of the claim process. It should also now settle her claim (to include the dismantling and rebuilding of the wardrobes).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 19 March 2024.

Sally-Ann Harding  
**Ombudsman**

