

The complaint

Mr S and Mrs S complain about delays in Advantage Insurance Company Limited's handling of their home insurance claim.

What happened

The background to this complaint is well known to both parties, so I'll provide only a very brief description here.

Mr S and Mrs S have an insurance policy underwritten by Advantage which covers their home and its contents.

They made a claim in July 2022 after an escape of water at their home. Advantage accepted the claim and assessed the damage.

In short, there have been a number of delays in the claim being settled and the repair works being carried out.

Mr S and Mrs S have made a number of complaints to Advantage about those delays and poor service.

Mr S and Mrs S weren't happy with Advantage's response to the complaint which has now been brought to our service.

Whilst we were looking into it, Advantage increased their offer of compensation for Mr S and Mrs S's trouble and upset to £1,420 in total.

Our investigator thought this offer was fair. But Mr S and Mrs disagreed and asked for a final decision from an ombudsman.

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.

Our investigator has explained to Mr S and Mrs S exactly what we can look into as part of this investigation.

I won't repeat that explanation in full here. Suffice to say that Mr S and Mrs S made a previous complaint to Advantage – and got a final response and a compensation payment in November 2022.

Because Mr S and Mrs S didn't bring that complaint to us within six months, we can't look into it. So, in this investigation, we can only look into things that have happened since the date of the previous final response – 15 November 2022.

The FCA's Dispute Resolution (DISP) Rules, which govern the way our service operates, also say (in essence) that we can't look into complaints that the relevant business hasn't yet had a chance to resolve themselves.

Advantage's final response to *this* complaint was dated 23 May 2023. Anything that's happened since then – and which may give Mr S and Mrs S cause to complain – hadn't yet been raised with Advantage at the point Mr S and Mrs S brought their complaint to us. So, we can't look into those matters.

So, in summary, what I'm looking at, in this decision, are the events between 15 November 2022 and 23 May 2023 only (approximately six months).

As I understand it, Mr S and Mrs S have made a further complaint to Advantage about events *after* 23 May 2023. If they're not happy with Advantage's response to that complaint, they can then bring it to our service if they wish.

Moving on to the substance of this complaint, there is no dispute at all that Advantage and/or their contractors – for whom Advantage are responsible – caused unnecessary and quite lengthy delays in the handling of the claim and the repair work.

It's not necessary for me to detail every delay and/or every error Advantage or their contractors may have made.

In summary, looking at the time period that I can consider (November 2022 to May 2023), I don't think it would have been entirely unreasonable for Mr S and Mrs S to think that the repairs to their house might have been complete by the end of that period. Instead, the repairs hadn't started.

Before the complaint was brought to us, Advantage had made an offer of compensation to Mr S and Mrs S – which they didn't accept. After the complaint was in our hands, Advantage increased that offer considerably – to (in total) £1,420.

I should point out that Advantage said their contractor would be paying a part of that compensation (£350). That's not for me – or Mr S and Mrs S - to worry about.

Advantage were providing a service to Mr S and Mrs S under a contract of insurance. The contractor was acting on Advantage's behalf to fulfil Advantage's obligations. So, Advantage are responsible for the contractor's actions.

I say this simply to make it clear that it's for Advantage to ensure that any compensation which is the outcome of this complaint is paid. How they sort that out with their contractor is a matter between them and the contractor.

Putting things right

Turning to the compensation offer itself, I agree with our investigator that the amount Advantage are now offering is fair and reasonable. I'll explain why.

First of all, I was very sorry to hear about the disruptive escape of water event at Mr S and Mrs S's home. It was clearly very serious and had a profound impact on Mr S and Mrs S and their home.

Given what had happened, I can fully understand Mr S and Mrs S's frustration, stress and annoyance at the fact that the claim and repair work was unnecessarily delayed.

I have to stress though that what I'm looking at in this case is the *additional* frustration, stress and annoyance caused for Mr S and Mrs S by the delays resulting from Advantage's – and/or their agents' – errors or omissions. Bluntly, Advantage didn't cause the escape of water – and that kind of event will always be extremely disruptive and worrying.

I understand that Mr S and Mrs S have spent longer than necessary living in their home whilst it was damaged. And I know this has impacted their everyday life. That's been particularly difficult given that they are both elderly and will feel the impact more.

I also understand that the longer it took to resolve the claim, the more stressful and worrying things became for Mr S and Mrs S.

There's useful information on our website about our approach to compensation for trouble and upset.

It's our view that compensation between £750 and £1,500 is fair and reasonable where there has been substantial distress, upset and worry caused by a business's errors or omissions. This might involve serious disruption to daily life for many months or over a year.

It's my view that Mr S and Mrs S have suffered exactly that - substantial distress, upset and worry, over the six month period that I'm looking at in this decision.

And it follows that I think Advantage's offer – which is towards the top end of the £750-£1,500 bracket – is fair and reasonable.

Mr S and Mrs S say that a family member had to turn down an offer of work to stay with them whilst the claim was on-going. For this and other reasons, they think compensation should be around £50,000.

I don't have any evidence to suggest that the family member's decision to turn down that work was an inevitable consequence of the delays in the claim. It seems to me inherently unlikely that their decision was primarily, or inevitably, caused by the delays.

And it would be unfair to suggest that Advantage should be held responsible for the financial consequences of the decision the family member made.

In summary, I'm satisfied that the offer of – in total - £1,420 in compensation is fair and reasonable in this case. Advantage should now ensure that any part of the £1,420 which hasn't yet been paid is now paid to Mr S and Mrs S as soon as practically possible.

To be clear about the outcome here, I'm upholding Mr S and Mrs S's complaint because the current offer of compensation – which I consider fair - was made only after Mr S and Mrs S brought their complaint to us.

My final decision

For the reasons set out above, I uphold Mr S and Mrs S's complaint.

Advantage Insurance Company Limited must pay Mr S and Mrs S £1,420 in total in compensation for Mr S and Mrs S's trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 20 March 2024.

Neil Marshall
Ombudsman