

## **The complaint**

Mr M complains that Ocaso SA, Compania de Seguros y Reaseguros have provided poor service when carrying out repair work following an escape of water and haven't covered all his losses.

## **What happened**

Mr M held a buildings insurance policy with Ocaso for his flat which was located in a local authority block.

Mr M had a series of leaks in the property – one from failed asphalt on the balcony above which was eventually resolved on 25 December 2021, and two from the bathroom upstairs in early 2021. They caused water damage to the lounge, kitchen, bathroom and bedroom of the flat.

Mr M says that Ocaso's contractors said the work would take 2 weeks but didn't offer any alternative accommodation so he had to travel to his parents to live in another area of the country while the work was done.

The work wasn't completed in the two weeks, and actually took 10 weeks to complete, during which time the flat was uninhabitable with rubbish left inside and outside his property on completion.

Mr M had to travel back to work in London for one week, during which time Ocaso paid for accommodation and £15 per day for food, but didn't cover his rail fare, nor did they pay any other expenses for the time he was out of the property.

Following the completion of the work, Mr M says there were many issues with the work, and rubbish was left inside and outside the property, that he had to live with smells and mess until the repairs were done.

Mr M complained in November 2022 and in their final response, Ocaso said that the delay in effecting the repairs had been due to the third party freeholder delay in fixing the source of the leak. However, they accepted some service failings and offered a cash settlement of £591.61 for the snagging work to be completed and a total of £600 for the distress and inconvenience caused by the contractors.

Mr M wasn't happy with this and brought his complaint to us.

One of our investigators looked into Mr M's complaint and she thought that Ocaso could do more. She recommended that they should:

- Increase their compensation to a total of £750
- Review three quotes provided by Mr M and provide a settlement of the works needed to restore the flat to pre incident condition; the settlement should be paid within 28 days of confirming what quote is accepted

- Cover the cost of alternative accommodation and provide a disturbance allowance for when Mr M has to vacate the flat for the works.

Mr M disagreed with our investigators view, and so the came to me to review.

I issued a provisional decision on the case as follows:

I'm intending to uphold this complaint but with a different redress to our investigator. Because of that, this decision will be provisional, and I'll give both sides a chance to comment before I make a final decision.

### **The initial repairs and out of pocket expenses**

As the repairs affected several rooms of the flat and it is a fairly small flat, it wouldn't seem practical for Mr M to remain there during any repair works. Under the terms of the policy Ocaso could have offered alternative accommodation:

*14. Short-term accommodation costs, rent or maintenance charges.*

*If the buildings cannot be lived in because of damage by any of the causes 1 to 15, or if the buildings cannot be lived in because of damage caused to nearby property by any of the causes 1 to 15, we will pay one or a combination of the following.*

*a) The reasonable costs of similar short-term accommodation for the Leaseholder.*

*Provided that Our liability is limited to the period that the Buildings are uninhabitable.*

*b)*

However, Ocaso didn't offer alternative accommodation, and Mr M went to stay with his parents, who live over 100 miles and 3 hours away from his home and work. Mr M has said that he should be compensated for this.

Whilst I appreciate it was inconvenient to Mr M's parents to accommodate him, and for him to be away from his home and his work, we wouldn't ask an insurer to pay and allowance for disturbance unless the customer can show that their living costs were more than normal. For example, if they lacked cooking or laundry facilities in their temporary accommodation and so had to spend more on food or laundry than normal, using take aways and laundrettes.

I haven't seen any evidence of additional expenses caused by this displacement, except for the travel and accommodation expenses between 21 – 27 September, and these have been covered by Osaco, and so I'm not able to make any specific award here.

However, I do accept that the repairs took 8 weeks longer than was originally estimated, and so Mr M was at his parent's house for longer than he expected and had he known at the outset that it was going to take that long, he may have insisted on alternative accommodation. I appreciate that this additional delay will have caused him some additional inconvenience and so I have considered this when making my award for distress and inconvenience below.

### **The standard of the repairs**

I understand that when Mr M returned to his flat in November 2022, he was unhappy because the contractors had not completed all of the work to a standard he expected. In particular Mr M has said that there were plastering defects, some light fittings had not been fixed back properly, plaster was blocking the sink, and electrical testing hadn't been completed.

Ocaso agreed to an arbitration and following that, a sum of £591 was agreed as a cash settlement to complete any rectification works.

Mr M says that the £591 was agreed only for defective decorating and plastering works. He says that he still requires payment for correcting the light fittings, issuing the electrical certificates and unblocking the sink (which he thinks was £125).

I've viewed the arbitration inspection report which says:

*"We inspected the flat and there were areas that required snagging to the kitchen, bedroom and lounge. There were slight painting or plaster defects in all these rooms, however the bedroom wall which the contractors only painted there were defects prior to them decorating this area not connected to the insurance claim. Several light fittings were not clicking back into their housings.*

*There was a slight bounce on the laminated flooring in the bedroom, but as there was not heating in this flat, it is most likely the floor slightly rose due to this factor that there were slight painting or plaster defects in all rooms"*

I can see on the report that it was agreed that it would take 2 decorators with labour and materials 2 days to complete the work.

Ocaso have said that there wasn't any electrical works as part of the insured works but I can see on their scope of works that there is disconnection and reinstatement of light fittings in the kitchen, living room and bathroom listed and removal and replacement of a double socket in the bedroom, and it says three partial electrical circuit tests are to be undertaken.

So I don't agree that all electrical works were private – and I'm satisfied that as it was on Ocaso's own scope, electrical testing is necessary and should be included. Mr M has looked locally and an electrical certificate will cost £99, and I think Ocaso should meet this fee, together with an electrician's fee for correcting the fittings that aren't clicking correctly back into their housings as suggested in the arbitration report.

The bounce in the laminate floor has been attributed to the cold in the flat. Mr M has said that the flat has since been heated and there is still bounce in the floor, I haven't seen any evidence to suggest that a defect in repairs is causing the bounce, and so I'm not satisfied that Ocaso need to do anything further about this.

## **Wardrobe**

Mr M has said that he had to dispose of his fitted wardrobe because of water damage. I have seen evidence that a new fitted wardrobe is in situ, and although there is no receipt, it is still available online, and the purchase price was £613. Even though I don't have a receipt, I am satisfied by Mr M's testimony and the photographs that his wardrobe was disposed of and replaced, and I think that the sum is reasonable, so I'm asking Ocaso to meet this.

## **Debris removal and cleaning.**

Mr M has said that Ocaso's contractors had left rubbish and building materials on site and left the flat in a mess which required cleaning.

I understand that Ocaso did appoint cleaners and Mr M was satisfied with the cleaning that was undertaken. However, he had to remove rubbish himself and took several items to the tip.

Ocaso have said that not all of the rubbish left related to the insured works – so they weren't liable for clearing anything that was additional works.

I can see on the photographs provided that there was radiator box left outside, which was part of the private works Mr M asked to be completed, but nevertheless, there was plasterboard, plaster, and other items of rubbish left that shouldn't have been. Mr M was entitled to expect not to have to clear this from the site himself. So I have considered the inconvenience of this in the award for distress and inconvenience I have given below.

### ***Distress and inconvenience***

I'm considering here any additional a distress and inconvenience caused by Ocaso's actions when dealing with the claim.

When an insurer undertakes rectification work themselves, a customer is entitled to expect that when they return the work is completed and the site is clean. I can see that the repairs took 8 weeks longer than expected, and Mr M returned to a flat that wasn't finished to the standard required. He had to remove rubbish himself, contact Ocaso about having it cleaned, dela with Ocaso to the point where arbitration was required, and now has to sort out completion of the snagging issues himself. I think Ocaso could have done more to sort this out earlier and to resolve the issues after the work was completed.

Ocaso have offered £600, and whist this is a good offer, I'm not satisfied it fairly reflects the inconvenience caused, and I agree with the investigator that this should be increased to £750. Whilst I know that Mr M has suggested a higher figure, I consider that his is a fair figure for the inconvenience caused, and reflects this services' approach to distress and inconvenience, information about which can be found on our website.

### **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.

Ocaso have accepted my decision.

Mr M has not said whether he accepts or rejects by provisional decision but has made some additional points.

He has said that he is much more out of pocket than I have compensated him for and his representatives' costs haven't been accounted for. I have awarded the £591 for the rectification work that was agreed with Ocaso, and beyond this I have awarded the wardrobe and any electrical costs once they are invoiced. Mr M hasn't detailed in his response what other costs he is referring to and I have considered all of the information that has been provided by him, so I am confirming the provisionally awarded costs in my final decision below. In respect of the representatives' costs, the rules which have to use to decide complaints don't allow us to consider any costs outside those incurred by any eligible complainant, and Mr M's representative doesn't qualify as an eligible complainant.

I also understand that there has been a further leak, and so Mr M has decided not to proceed with the electrical testing at the moment. However, I have left the electrical rectification work and testing in my decision, in the event that he changes his mind.

### **Putting things right**

In order to put things right Ocaso should:

- Pay £613 to replace the fitted wardrobe
- Pay the £591 agreed for the decorative and plastering works
- Pay for the additional electrical rectification works required to correct the light fittings and electrical testing. Mr M will need to complete the works and submit an invoice to Ocaso for payment.
- Pay £750 for the delays and poor service.
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### **My final decision**

My decision is that I'm upholding Mr M's complaint about Ocaso SA, Compania de Seguros y Reaseguros and directing them to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 December 2024.

Joanne Ward  
**Ombudsman**