

The complaint

Ms M has complained about how Accredited Insurance (Europe) Ltd ('Accredited') dealt with a claim under a home insurance policy.

References to Accredited include companies acting on its behalf.

What happened

Ms M made a claim for an escape of water. When Accredited accepted the claim it considered the damage and what was covered by the policy. Ms M later complained about how Accredited dealt with the claim and the settlement it offered.

When Accredited replied to the complaint, it said Ms M had instructed her own contractors to carry out strip out works. This made it difficult for its loss adjuster to assess what had been damaged. Accredited noted Ms M had been asked to send information she had already provided. There were also delays in documents being assessed. Accredited had also discussed a disturbance allowance, but the payment hadn't then been raised. Ms M also rejected the repair settlement offered and Accredited's contractor then had to be contacted to confirm the settlement. There were also phone calls that weren't returned. Accredited offered £300 compensation for the issues with the claim. Accredited later increased the compensation to £500 and increased the settlement offered.

When Ms M complained to this service, the Investigator upheld the complaint in part. He said he thought it was reasonable for Accredited to decide the claim had been prejudiced by Ms M stripping out the kitchen before it visited. He also said Accredited had made a fair offer for the items it assessed were damaged as part of the claim, including later increasing the amount offered. However, he said the compensation offered wasn't fair for the number, and repeated, failings over a prolonged period. So, he said Accredited should pay a total of £725 compensation for the distress and inconvenience caused to Ms M by its claim handling.

Accredited didn't agree that it should pay more compensation. Ms M also said she had no option but to start the work due to Accredited's handling of the claim. So, the complaint was referred to me.

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 uphold this complaint in part. I will explain why.

I'm aware Ms M raised a complaint about delays at the start of the claim. I'm unable to consider this as that complaint wasn't referred to this service within six-months. However, I'm aware of the circumstances of that complaint and have also seen details from both parties about how the claim was handled overall.

Accredited made some initial enquiries about the policy. During that time, Accredited wrote to Ms M. It said it was unable to authorise any repairs at the property while its enquiries continued. However, it said Ms M could carry out a repair to obtain hot water, but should make sure she had photos and reports so this could be considered as part of her claim. The policy booklet also said policyholders shouldn't carry out permanent repairs or dispose of any items before Accredited had the chance to inspect the damage.

After it completed its enquiries, Accredited accepted the claim. It sent a loss adjuster to view the damage. This was about three weeks after Ms M had first contacted Accredited. When the loss adjuster visited, the kitchen had already been stripped out and was in the garden. Accredited said this meant it couldn't assess the damage caused by the escape of water. I can understand Accredited was concerned its position had been prejudiced. So, I've looked at how Accredited then considered how to settle the claim.

When Accredited assessed the extent of the damage it was willing to cover, it agreed to cover the kitchen base units, along with some decoration, flooring and other items such as skirting boards. It seemed to do this based on trying to fairly assess what was likely to have been damaged by the escape of water. It then made its offer based on how much it would have cost it to carry out the works.

Ms M said the loss adjuster told her the work couldn't commence for over a month. Ms M told this service, this delay left her with no option but to carry out the work herself at great financial expense to her. I can understand Ms M was concerned she didn't have a working kitchen. But I'm also mindful that an insurer is entitled to investigate a claim, assess the extent of the damage and draw up a scope of works to consider costs.

Accredited made a cash settlement offer of £11,241.13 based on the items it assessed were damaged as part of the claim. I'm aware it later increased this amount to £13,489.35, which it has since paid. Ms M wanted to be paid £21,433.76. In the circumstances, I think what Accredited offered was fair. It wasn't clear how much of the kitchen had been damaged by the escape of water. It offered a settlement for the base units despite it not being clear whether they were all damaged or whether any of them could be refitted. It didn't offer anything towards the wall mounted cupboards because it didn't assess that these would have been damaged by the escape of water. I think that was reasonable.

I also think it was fair that Accredited based its settlement offer on its own costs. I can understand Ms M wanted the damage dealt with urgently. However, the policy booklet explained that it was for Accredited to decide how it would settle a claim. It was willing to carry out the repairs once it was satisfied there was a valid claim under the policy.

Ms M's quote was also for a full kitchen to be refitted. However, I don't think Accredited needed to pay the full cost of the kitchen itself, given there wasn't evidence to show it had all been damaged by the escape of water. Accredited also didn't need to pay for things like the

labour to fit parts of the kitchen that weren't assessed to be part of the claim. Overall, I think Accredited fairly assessed what was covered by the claim and that the cash settlement offered was reasonable in the circumstances.

I've also thought about the claim handling. When Accredited responded to the complaint, it identified a range of issues with how the claim had been dealt with. This included it not assessing information promptly, not following up on emails and phone calls and failing to raise payments. These issues were over several months and were avoidable claim delays.

I think this claim was affected by the strip out work already having taken place before the loss adjuster visited. But the range of delays, and over a prolonged period, was beyond what I think was reasonable. A company working for Accredited seemed to need to be regularly chased by Ms M and Accredited itself to respond to emails or make phone calls. Even taking into account that Accredited needed to sometimes wait for Ms M to provide information, I think these were significant delays. As a result, I think Accredited should pay Ms M a total of £725 compensation as I think this more fairly reflects the impact on her of the way the claim was handled. This includes the compensation it previously offered.

Putting things right

Accredited should pay a total of £725 compensation, which includes the compensation it previously offered.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld in part. I require Accredited Insurance (Europe) Ltd to pay Ms M a total of £725 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 30 April 2024.

Louise O'Sullivan
Ombudsman