

The complaint

Mr S is complaining about the way QIC has handled a claim he made on his buildings insurance policy.

QIC has used an agent to handle the claim and complaint on its behalf. But, for ease of reference, I shall refer to anything the agent said or did as being said or done by QIC.

What happened

The facts of this complaint are well known to all parties, so I won't set them out in detailed. But, in summary, in January 2022 Mr S's property was severely damaged by a fire. So Mr S contacted QIC to make a claim on his buildings insurance policy. Due to the extent of the damage, Mr S and his family weren't able to live in the property so he sourced an alternative accommodation which QIC paid for.

Mr S is unhappy with the way QIC handled the claim for the following reasons:

1. He says there were long periods of inactivity. He says he kept a daily log of activity and regularly saw periods of time when there weren't contractors on site. He also highlighted issues which caused further delays. As a result the claim took in excess of 16 months to resolve.
2. He didn't think QIC's contractor had taken sufficient steps to safeguard the property from water ingress which ultimately caused further damage to the property.
3. He said one of QIC's original file handlers told him it could avoid the insurance policy if the total value of contents exceeded £100,000.
4. He said he had significant difficulties communicating with one of QIC's file handlers. He said it would often take days before the claim handler would reply and he was only ever able to speak to him once on the telephone.
5. He was unhappy that QIC didn't consult with him on the repairs and what would happen at the start. He also said he frequently asked for a schedule of works and an estimated completion date, but QIC didn't provide this.
6. He says QIC undervalued the cost of the items in the bathroom. He says QIC initially offered him £450 for the items in the bath, but later increased this to £2,500 plus VAT. In total QIC said it had budgeted around £9,000 to do the work. He said this doesn't take into account the high end value of his bathroom. He says he provided quotes for doing the work which he says it would cost at least around £12,000 to complete the repairs.
7. He's unhappy QIC said it wouldn't continue to pay for the alternative accommodation after 26 May 2023. He said there still wasn't a bathroom and highlighted a number of other issues outstanding in the property.
8. He's unhappy QIC hadn't settled a number of his expenses – in particular the council tax bill, utility bill and a number of other expenses.

QIC didn't uphold Mr S's complaint so he referred it to this Service.

I issued a provisional decision partially upholding this complaint and I said the following:

"I should first set out that I acknowledge I've summarised Mr S's complaint in a lot less detail

than he's presented it. Mr S has raised a number of reasons about why he's unhappy with the way QIC has handled this matter. I've not commented on each and every point he's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service. I assure Mr S, however, that I have read and considered everything he's provided. Mr S has raised a number of reasons why he's unhappy with the way QIC has handled this claim. I shall address them all separately.

I also need to set out that, under our rules, I can only consider QIC's actions up to the date of its final response letter – 13 May 2023. I'm aware the claim continued after this. Also, Mr S submitted further payment requests and claim queries after this date. But I can't consider them in this decision. Mr S will need to raise this with QIC in a new complaint if he wishes to take these further.

Claim delay

I should first set out that this was a significant claim involving the requirement for extensive works to be carried out. So, it was always going to take some time to arrange a scope of works, have the works signed off and to source a contractor to complete the works. I'm also conscious that there were a number of significant storms at that time causing a lot of damage throughout the country. This put a significant strain on the insurance and building industry. Ultimately, I don't think I've seen anything to show QIC unreasonably delayed starting the works.

Mr S says there were many instances where contractors weren't on site which delayed the work being completed. QIC has said the large scale of work required a number of diversely skilled trades to complete the reinstatement work, which has in turn resulted in the works taking a longer time to complete. It said it's not feasible or good business practise for a contractor to hold off skilled labour from completing other jobs, so that they can be available to start immediately on Mr S's property.

I do understand QIC's comment here and it's not without merit. There was significant amount of work required and, as QIC set out, required many different skilled workers to complete everything. But at the same time it must always be mindful of the industry regulation requirements to handle "claims promptly and fairly".

I'm persuaded by what Mr S has told us. He's kept a clear record of what's happened throughout on the claim. I recognise that the contractor is entitled to allocate resources in an efficient way. But at the same time I would expect them to also co-ordinate the work in a similarly efficient way to ensure the work is completely promptly and fairly. I don't think it did this, which delayed the works.

I'm also conscious that there were delays throughout the claim. For example, I can see QIC arranged for a company to measure up and quote for replacement windows. They provided QIC with a quote, but QIC mistakenly uninstructed that company. So the quote process had to be run again. And then, when the windows were being installed, I understand that there were issues with the manufacturing, so they had to be re-done again. It seems this caused a few months delays. I recognise some of this may be down to Mr S changing his mind on the windows, but I think the majority of the delays are down to QIC or its appointed agents.

Mr S has set out that QIC didn't secure the roof sufficiently at the start. As a result he said a lot of water got into the house causing extensive water damage. And he highlighted that one of the ceilings collapsed. So he think this meant more work was required. But, as I said above, there was a significant challenge that the industry was going through as a result of two named storms at that time. I'm also not persuaded that this did cause further damage as

the original reports into the damage set out that the property had suffered significant water damage arising from the fire brigade using water to put the fire out. Further to this, this report set out the ceiling in question needed replacing before any of the concerns Mr S raised. So I don't think any additional water ingress was the primary cause of the ceiling needing replacing as it was always going to have to be replaced.

However, I cannot ignore that the claim was still not resolved 17 months after the date of loss. While I do not dispute the amount of work required to finalise the claim, I cannot say that was reasonable. I do think QIC and its appointed contractor could have been more proactive in the handling of the claim. And I don't think it's been resolved as quickly as it could have been. I recognise that QIC extended the alternative accommodation beyond the 12 months allowed under the policy. But I also have to recognise that Mr and Mrs S were living in a two bedroom apartment as opposed to their house.

I'm aware there was a significant dispute over the amount QIC needed to pay to replace the items in the bathroom. Mr S says he had a unique and high-end bathroom. He doesn't agree that the amount QIC offered to complete the reinstatement of the bathroom was sufficient. And he estimated he'd have to pay around £4,000 more to complete the work. Both parties have provided testimony surrounding this and I've read everything carefully. Ultimately, QIC is entitled to pay what it would have cost it to carry out any repairs. While I note Mr S's comments on this, I'm not persuaded I've seen enough to show that the £2,500 plus VAT QIC paid for materials and around £9,000 in total was insufficient for it to complete the works to the requisite standard using its contractors. So I don't think I can reasonably require QIC to increase what it's paid for the bathroom.

I recognise QIC's comments around why it thinks Mr S was responsible for the delays as it says he was delaying it because of the dispute over costs. But I also can't ignore the delays I highlighted above. Mr S was entitled to query costs where he's concerned about the amount QIC's paying. While I ultimately think what QIC paid was fair, it did initially undervalue it. And I don't think Mr S's actions were wholly unreasonable. And, ultimately, the property was not ready for Mr S and his family to move back in by May 2023. So, in this case, I think it was unfair for QIC to not pay the final month's rental payment. And I think QIC should pay this.

Additional claim costs Mr S has incurred

Mr S has set out that he had to pay for a number of additional items – notably skirting boards etc. However, I've reviewed all the correspondence all parties have provided me up to 13 May 2023 and I can't see that Mr S has raised the number of these with QIC previously – in particular issues with the log burner, boiler, family room radiator, curtain poles and ceiling lights. So I can't comment on them in this decision. However, I can see he has raised some of them with QIC before. I shall set out what I think QIC needs to do to put things right regarding these:

- Mr S says that he thinks the front door lacks structural integrity and has damage to the front. However, I've not seen enough for me to conclude it needs replacing. QIC has said the door swelled up because there was no heat at the start of the claim – which it said would happen with any timber door. And it's said it allowed for the door to be eased and adjusted in its scope. Ultimately, I note Mr S's comments, but I don't think I've seen enough for me to conclude that QIC should pay to replace the door.*
- Mr S has said he's £270 out of pocket as he says QIC said he didn't have oak skirting boards throughout the house. QIC says the property had a mix of oak and pine prior to the fire and I can also see correspondence Mr S has sent that he doesn't dispute this. However, he's said that his dispute is in relation to the master bedroom and lounge, which did solely have oak skirting boards. And I haven't seen anything to show QIC has disputed this. He's explained that QIC allowed £344.55 for this. But he said he couldn't*

get it for less than £476 + £90 delivery – leaving a shortage of £220. I'm persuaded by this, so I think QIC should refund this as I think Mr S has reasonably shown the scope of works was insufficient for the replacement cost. Mr S has also said there were two door surrounds that should be in oak which he paid for. And he estimated that he paid £50 for this. But I'm not persuaded he's shown he paid more than QIC scoped for this. So I don't think QIC needs to pay this.

- Mr S is unhappy QIC hasn't replaced the windowsill in the family room. He explained that they weren't damaged before the incident, or by the fire. However, due to water ingress, they now need replacing. I'm persuaded by this. And I don't think QIC is now disputing this. However it's set out that Mr S wanted to have oak sills installed, but the original sills weren't oak. I've reviewed the scope of works that QIC provided and I can't see that it included these sills. But I'm persuaded they needed replacing. In this case, I'm also persuaded that I don't think Mr S has shown the original sills were oak. So I don't think QIC needs to pay the full £300 Mr S has paid for this. I think £100 is fairer.

Council tax and utility bills

QIC is only required to cover the council tax and utility bills for the damaged property – i.e. it's not required to cover the bills for the rental property. And, as I said above, I can only consider QIC's actions up to 13 May 2023. I can see that Mr S submitted a number of bills for QIC to pay. I think QIC has paid the bills Mr S submitted before 13 May 2023. I think it could have been quicker in paying the council tax though.

I think QIC was entitled to enquire why the heating was on given the property was empty as it would usually be off and the heating bill was higher than normal. Mr S explained that the contractors had asked him to leave it on. Following this explanation, I can see that QIC settled the heating bill. I'm not persuaded it acted unreasonably in this regard.

Customer Service

Mr S has said that he frequently had a lot of difficulty making contact with his claim handlers. I can see that there were a number of instances where they didn't reply immediately. But Mr S also has to recognise that the claim handlers will be dealing with a large number of claims at any one time. So it's not always going to be possible – and in fact practical – for the file handler to reply on the same day.

I've reviewed the correspondence throughout the claim journey and largely I think QIC did respond to Mr S's queries within a few days. I recognise that Mr S chased a response a lot, but I don't think he generally gave the file handler a reasonable opportunity to respond. That said, I do think there were times I would have expected QIC to be more pro-active in responding. I can see that there were times when Mr S was frequently chasing for payments towards his rent that went unanswered. I would have expected QIC to prioritise those scenarios and I think this caused undue distress to him.

I also think it would have been helpful if the file handler had called Mr S more often. It's clear from his correspondence that Mr S was frustrated at being unable to speak with the claim handler on the telephone. But I can't see any attempt was made to rectify that. I think this would have been helpful and reduce Mr S's distress."

Mr S didn't agree with my provisional decision and said the following:

1. He queried why I hadn't included a number of items, in particular the following:
 - There continues to be issues with the brickworks and said the contractors left the property in a poor state. He said he'd received a quote of £3,000 to put this right.
 - He maintains he's around £2,000 out of pocket on the bathroom.

- He still thinks he's out of pocket of £900 for the curtain poles. And he set out QIC included this in the scope of works.
 - I didn't address his concerns surrounding the boiler. He highlighted he mentioned this to QIC on 11 April 2023 and also 16 December 2022.
 - He's out of pocket for around £700 on ceiling lights. He queried why I didn't think QIC should pay for this.
 - He wants £200 for the cracked toilet pan.
 - QIC hasn't covered the items he'd paid to purchase items for the alternative accommodation property he was given.
2. He said the garden is in a poor condition. He said his wife is passionate about her garden. So they feel QIC should either fix or pay for this.

QIC responded to accept my provisional decision.

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.

Firstly, I need to further clarify what I said in my provisional decision about what I can and can't look at. It's not this Service's role to handle the claim on Mr S's behalf, but to assess whether QIC has handled Mr S's complaint fairly. And this means I can only consider issues that Mr S has actually raised as a complaint. I recognise Mr S may have made a claim for some of the issues I said I couldn't look at, but I haven't seen enough to show he specifically complained to QIC about them – in particular, I don't think this Service can consider the following in this complaint:

- Mr S has said there continues to be issues with the brickwork. He's provided photos of this and commented that there's reference to him raising this with QIC in October 2022. But I can also see that QIC said its surveyor was going to revisit the property and inspect this. And I can see that, other than Mr S raising concerns with the time it was taking, I haven't seen anything to show that his concerns raised in this respect were part of the complaint QIC considered in May 2023. I note QIC has said it had issued accessing the area in question due to challenges it faced with Mr S's neighbour. But, if Mr S remains unhappy with QIC's repairs to this area, he'll need to raise it with QIC directly.
- I've reviewed the portal correspondence notes extensively and I cannot see any reference to Mr S making a complaint that QIC hasn't refunded what he paid for the items he'd paid to purchase items for the alternative accommodation property he was given. I can see he first discussed this with QIC in January 2022 and he asked if QIC would refund what he pays to buy items. QIC said it would pay to move the contents back, but it doesn't seem it agreed to pay the full cost. I think it did explain how the process would work and Mr S understood this. I recognise that Mr S may have submitted a payment request for this. But, I haven't seen anything to show he raised with QIC that he hasn't received settlement for this. Mr S has queried who is responsible for these costs. The terms of the insurance policy required QIC to pay "*reasonable and necessary costs for alternative accommodation*". So the policy required QIC to pay for items that it was reasonable and necessary for Mr S to buy to live in the property. If he doesn't feel QIC has done this, then he would need to raise this as a new complaint.
- I cannot see Mr S has complained to QIC before that it didn't pay for a broken toilet pan.
- In January 2023 QIC said its surveyor would discuss a cash settlement with Mr S for a number of issues – including the garden. But I've not seen any reference to Mr S raising concerns about this further with QIC. If he doesn't feel he received a settlement for this, or that the settlement was sufficient, he'll need to raise this with QIC.
- QIC has set out that the scope of works included an amount for ceiling lights and it says

it's of the understand it covered what the scope of works required it to. But, I haven't seen any record of Mr S raising a complaint about this prior to May 2023.

- QIC says the curtain poles were not on the scope that the contractor had. It said, if they were on the contents list then the contractor would not have been aware of this. It said it settled the contents claim before the works were done and doesn't believe Mr S flagged concerns the curtain poles weren't included. And I also haven't seen anything to show he did raise this with QIC either.

I should make clear, I'm not saying QIC isn't required to cover the above payments, but nor am I saying it is required to pay them. But, as Mr S hasn't raised these as a concern prior to its final response letter of May 2023, I'm unable to consider this in this decision. Mr S would need to raise a new complaint with QIC regarding this.

I can see, however, that Mr S did raise a concern with QIC in April 2023 that the boiler was faulty. QIC has said it understands it's working. But I think this is because Mr S paid to repair it. It's clear there were major concerns and repairs required to the electrics. And due to the extent of the damage, I think it's most likely this fault was down to the insured event. So I think QIC should refund this charge, subject to Mr S providing a valid invoice and him evidencing he paid it.

Mr S remains unhappy I haven't given him the full quote of the bathroom. But I explained in my provisional decision why I don't think QIC is liable for this. And I don't think Mr S has given me anything new to think about in this regard. I'm ultimately persuaded QIC could have completed the works for the amount it said. So I don't think it needs to pay anything further regarding this.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require QIC Europe Ltd do the following to put things right:

1. Pay a further £220 for what Mr S paid for the skirting boards in the master bedroom and lounge;
2. Pay £100 towards the windowsills in the family room;
3. Pay the final rental payment Mr S made;
4. Subject to him providing evidence he paid for this and providing a valid invoice, it should refund the amount Mr S paid to repair the boiler;
5. I think it should compensate Mr S for the delays I've highlighted above. I also think it's left Mr S out of pocket at times too. Ordinarily I would award simple interest on these amounts, but I don't think it's clear precisely the point Mr S became out of pocket. So I think the fairest way to resolve this is through a compensation amount. Given this and everything I've set out above, I think QIC should pay Mr S £900 in compensation.

I don't award anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 April 2024.

Guy Mitchell
Ombudsman