

## **The complaint**

Mr S complains about how QIC Europe Ltd (“QIC”) dealt with a claim he made on his buildings and contents insurance policy following a fire at his home.

## **What happened**

Mr S has a Policy Expert Home Select policy with QIC that began on 9 June 2021 and was due to end on 8 June 2022.

Mr S contacted QIC to report damage to his property following a fire in January 2022. Unfortunately his caravan caught fire and it spread to his home causing damage.

Mr S says QIC refused to cover the alternative accommodation and associated costs when his home became uninhabitable. He says no scope of works was produced and an arbitrary cash settlement offer was made which is less than a third of the estimated cost of repairs. Mr S says QIC have refused to allow work to commence due to the cost of scaffolding and failure to agree a specification with the contractor.

Mr S wants QIC to pay the costs associated with the alternative accommodation, pay for the outstanding emergency repairs from the date of the incident, appoint a professional company to assess the damage and provide a scope of works. Mr S wants a more accurate valuation for some of the affected contents; such as carpets, curtains, and lounge furniture. Mr S says he’s had to do the majority of the work in obtaining quotes and the whole matter has caused him a significant amount of stress and inconvenience. So he complained.

QIC said it asked Mr S to provide it with copies of his council tax bill so it could issue a payment for these but, it said, it hadn’t received anything from him. QIC says alternative accommodation has been provided. But, under the terms of the policy alternative accommodation is provided for a period of 12 months and it’s satisfied its decision not to extend this is reasonable. It said if Mr S has evidence to suggest QIC have caused unnecessary delays he should provide it so the request for an extension can be considered further. QIC reviewed the offer for contents and increased some elements of the offer.

Mr S wasn’t happy with the response from QIC so he referred his complaint to this service. One of our investigators looked into things for him. She agreed there had been delays in the handling of the claim and said as a result alternative accommodation should be paid until Mr S is able to move back into his home. She said it wasn’t fair to expect Mr S to project manage the repair of his home given the extent of the work required and so QIC should arrange this for him. The investigator recommended Mr S be awarded £1,000 for the distress and inconvenience caused.

Mr S didn’t agree. He said QIC was not able to manage a complex repair and so he didn’t want it involved in the work. He was also not happy with how the contents claim was dealt with. QIC didn’t agree with the investigator’s view. It said it didn’t have a contractor on its approved network in the area and in such cases it offers to cover reasonable costs from the policyholder’s own contractor. And so it said it had acted in line with the terms of the policy.

QIC did offer to locate a contractor who would be willing to undertake the work and agree quotes and costs with them. QIC said Mr S had contributed to the delays by not providing quotes as requested and so not all of the alternative accommodation costs should be incurred by QIC. QIC said it would pay the council tax if Mr S would provide a copy of the bill. QIC agreed to review the contents claim if Mr S provided evidence of the items. QIC didn't agree to the recommended level of compensation.

Because Mr S and QIC didn't agree – the complaint has come to me to decide.

### **My provisional decision**

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said;

*"I think it's fair to say that there are a lot of complications in this claim and complaint – the claim has been ongoing for some time, both parties say the other caused the delays in completing the works, and QIC have been unable to source any contractors in the area. And I can see why Mr S is frustrated but QIC thinks it has acted reasonably based on the evidence held.*

*My provisional findings focus on what I consider to be the central issues. This isn't meant to be discourteous. But the purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. I understand Mr S has very strong views about what has happened and I can empathise with the situation. I have read and considered everything I have received carefully. I think it would be helpful to reiterate that my decision covers complaints that were dealt with by QIC in their final response letter dated 16 November 2022. Details of our remit and how we investigate complaints can be found on our website.*

*I think it would be helpful to explain we aren't the regulator and can't tell a business what processes and procedures it should have in place. My role is to look at whether QIC acted fairly and reasonably, and within the terms of the policy.*

*I can see a number of the issues raised have been dealt with by the investigator and agreed by QIC – such as the payment of the invoice from the electrician and reviewing some of the contents being claimed for. So, as previously explained, my decision will focus on the crux of the complaint.*

#### *Electrician's invoice*

*From the evidence provided, the invoice from the emergency electrician was for £294 but QIC only reimbursed him £95. It's not clear why the invoice was only partially paid by QIC but given it agreed to the costs of the same I think it should pay the remainder of the invoice as set out below.*

#### *Council Tax*

*In its final response, QIC confirmed it would reimburse Mr S for the council tax for his home while he remained in alternative accommodation. Before it did so it required documentation from the council showing Mr S was still subject to council tax payments at the property, so the payment could be issued.*

*Both QIC and our investigator have agreed QIC are responsible for payment of the council tax at the insured address. So Mr S needs to obtain copies of the council tax bill for the relevant period and provide those to QIC.*

*I can see Mr S has provided various other documents regarding the council tax such as evidence of a monthly payment, and extracts from the website. But QIC has asked for a copy of the invoice or bill, and I think that's reasonable.*

*So QIC are liable for the council tax on Mr S's home and should pay this once Mr S has provided it with the relevant documentation.*

## *Contents*

*QIC has agreed to review the contents claim again and has asked Mr S to provide evidence of those items. Mr S says he has already provided QIC with everything it has asked for.*

*I appreciate Mr S has been trying to obtain evidence such as photographs and receipts which has caused some distress. I don't think it's unreasonable for QIC to ask for further information to substantiate the claim. It is entitled to request this.*

*I can see QIC significantly undervalued some of the items Mr S claimed for, such as the sofa – and has sought to increase the settlement of those items. I think given the errors with the initial valuation of the contents QIC should undertake to reassess this element of the claim.*

*And so I intend to uphold this part of the complaint for Mr S. QIC hasn't demonstrated it has fairly assessed the contents claim in line with the terms of the policy.*

## *Alternative accommodation*

*Most buildings insurance policies provide cover for alternative accommodation, often referred to as AA. The purpose of the cover is to pay for the reasonable additional costs of temporarily rehousing the policyholder when their home becomes uninhabitable. We take 'additional' to mean costs above and beyond what a consumer would usually pay if the claim hadn't arisen.*

*In section 15 titled 'Alternative accommodation' it says,*

*"We will pay up to £100,000 for:*

- a. The reasonable and necessary costs for alternative accommodation for you and your family, and*
- b. Any rent which you may still have to pay."*

*The policy goes on to say, "We don't cover losses you suffer more than 12 months after the date that the buildings became unfit for living in."*

*So Mr S is entitled to the costs of alternative accommodation for a period of 12 months after the date of the incident. QIC said it wasn't solely responsible for the delays to the claim, and that some of the delays were due to Mr S being slow to respond to things or provide the required evidence. QIC also said the matter was delayed by the complaint being brought to this service.*

*But I don't agree. A claim referred to this service shouldn't stop or delay a claim's usual progression. This service doesn't operate a claims handling service, rather we look at what happened and make a decision on how best to resolve matters. Similarly, Mr S may have taken time to provide evidence required but has explained he was working two jobs at the time, wasn't living at home where he would have easy access to things such as receipts, etc. Mr S has also explained he has been unable to find relevant contractors in order to obtain quotes.*

*I agree with the investigator's findings in respect of the alternative accommodation. Our investigator said Mr S should be entitled to the alternative accommodation costs up until the time his property becomes habitable again in line with the policy terms. And I think this is fair.*

## *Trees*

*Mr S's policy schedule confirms he has a 'Policy Expert Home Select Policy' which inceptioned on 9 June 2021 until 8 June 2022. The fire occurred in January 2022 and so is within this policy period.*

*Mr S has claimed for some damaged trees on his property. Under section 1 'Buildings cover' it says;*

*"The most we will pay for the following items for any loss or damage which happens at your property.*

- ii. Plants, trees, flowers, and shrubs not in moveable pots or containers – up to £1,000. The most we will pay for any one plant, tree or shrub is £500."*

*Mr S says the policy confirms payment up to £2,500 for the damaged trees, but that is for the Policy Expert Silver cover. Based on the information I have seen it appears Mr S's policy for the period in question is the home select. And so on that basis I think the correct sum is £1,000. QIC should assess this part of the claim in line with the policy terms and conditions.*  
*Repair works*

*QIC accepts it hasn't been able to source contractors to complete the restoration works to Mr S's home. I'm persuaded QIC tried to get quotes for the work, and asked Mr S to provide quotes where possible. So I can see it attempted to resolve the repairs. And this is what I would have expected it to do. It is unfortunate that those efforts didn't always lead to quotes being provided or work being carried out. But I can see QIC were attempting to resolve Mr S's concerns for him, and to move the repairs on reasonably.*

*QIC should have been able to organise and repair the damage much sooner, and I would have expected the repairs to be much further ahead than they are currently. QIC does accept large-scale reinstatement work is required. It has proposed to seek a private contractor who would be willing to undertake the work and agree costs with the contractor. The contract for the work would be between Mr S and the contractor. And I think this is a reasonable way of progressing the claim.*

## *Loss assessor*

*Mr S has queried the instruction of a loss assessor to act on his behalf to manage the claim. A loss assessor acts on behalf of the policyholder in any buildings insurance claim and so I would expect Mr S to instruct and pay for a loss assessor if he wants to.*

*I'm not persuaded it would be fair and reasonable to hold QIC liable for the fees incurred by Mr S instructing the loss assessor. I've taken into account the points made. But I can see QIC instructed a loss adjuster to attend and put together a scope of work, so I don't think it would be fair to ask it to also pay for a loss assessor to represent Mr S. It is, of course, a decision for Mr S whether he wants to appoint the loss assessor.*

*I accept there had been some delays and issues Mr S was unhappy with. But I don't think that means a loss assessor is necessary.*

### *The fridge*

*Our investigator said because Mr S chose alternative accommodation that didn't come with a fridge then QIC didn't need to take any further action. Mr S has explained the difficulties in securing suitable alternative accommodation and so I can understand that when he finally found something suitable he wasn't in a position to refuse it because it didn't have a fridge. And I think that's reasonable. Mr S was left without a fridge for a number of months and I don't think that's fair and reasonable. So I think QIC should reimburse Mr S for the cost of the fridge. I'm persuaded this had an impact on Mr S and caused unnecessary inconvenience and cost.*

### *Compensation*

*I think there have been delays in the progression of this claim as detailed above. I also think QIC could reasonably have taken a pragmatic approach earlier, acting to agree and cost a scope of works with Mr S, or assisting him in finding a contractor using its own extensive network. I can see this was clearly a cause for frustration for Mr S.*

*I know Mr S has put in a lot of effort to challenge QIC. He's faced a lot of stress, as well as worry about how he will ever reinstate his home. QIC is not responsible for the fact it doesn't have an approved contractor in the area to instruct in this claim. But QIC failed Mr S, as I've explained, failures which I think significantly impacted his daily life across the course of this claim, just over the roughly two-year period I'm considering here. Having taken everything into account I'm minded to require QIC to pay £1,000 compensation for the distress and inconvenience it has caused to Mr S."*

### **Response to my provisional decision**

I asked both parties to send me any further evidence or arguments they wanted me to consider. And they both did.

Mr S said his overriding concern is the repair strategy, he made it clear he didn't want to deal with the management of the work. He mentioned some contractors who he thought should provide quotes for the work. He wants to agree a scope of works. Mr S said the recommended award for distress and inconvenience barely covered a year of water rates on his property and thought this should be increased. He also referred to standing charges for gas and electricity which have increased since the time of the fire – and he's been paying the cost to both properties; his own, and the alternative accommodation. Mr S also raised the issue of the council tax again – this time he's received a summons due to him not being able to pay council tax on both. Mr S said I didn't refer to the £100,000 costs figure proposed by QIC to settle the claim. He also said the service should recommend the instruction of a loss assessor, discuss storage of his belongings, cancellation of the replacement garage door, lack of security at his property, and the condition of his home worsening. Mr S asked that the service reconsider the issue with the tumble dryer and commented that interest should be added to the payment of the boarding up and stained-glass removal costs.

QIC also responded to my provisional decision. It said in the time that the complaint has been dealt with it has a contractor on its network that can deal with the claim. It also said it agreed to pay the remainder of the electrician's invoice with interest and pay for the council tax but argued against interest for that payment, it agreed to assess the claim for the trees in line with the policy, agreed to extend the alternative accommodation, and it agreed to reimburse Mr S for the cost of the fridge. QIC disagreed with the level of compensation. It

said some of the delays were due to Mr S so it didn't think £1,000 was fair in the circumstances.

### **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 light of the fact both parties provided further comments on the findings set out in my provisional decision (which I've reproduced here and which forms part of this final decision), I have responded to the main points.

Our service assesses complaints independently within a fair and reasonable remit – we don't act for either a consumer or a business. And I want to assure Mr S and QIC that in considering this complaint, I've thought very carefully about what happened here and, in particular, how to put things right.

I think it's important to clarify our role is not to provide legal clarification on the terms of the policy or to take over responsibility for progressing a claim, or to check each step QIC is going to take with the claim will be fair. It is to look at the evidence and consider whether Mr S has been treated fairly by QIC.

### *Settling the claim*

Mr S has said he isn't happy for QIC to undertake the repairs using its contractor and so QIC is able to pay cash to settle the claim under the terms of the policy. But that would mean agreeing a scope of works with Mr S and for Mr S to obtain quotes, which QIC would then need to assess to provide a reasonable settlement. And I think it's likely this would prolong an already much delayed process.

A cash settlement option has already been put to Mr S and due to the issues in locating appropriate contractors it hasn't been possible for Mr S to obtain the necessary quotes. A cash settlement also means Mr S would be responsible for the coordination and management of the repairs; something he has made clear he doesn't wish to do. If Mr S did want to accept a cash settlement, I think given the extent of the works and potential unknowns; and given QIC wouldn't be carrying out the repairs itself, I would expect QIC to be live to reconsider any costs and settlement should any additional works materialise during the repair.

Mr S said his overriding concern is the repair strategy, he made it clear he didn't want to deal with the management of the reinstatement. QIC now has a contractor who can carry out the work and so it seems sensible to allow QIC to do this. In doing so, to reassure Mr S, QIC would enter into a repair contract with Mr S, in essence an agreement is reached where the claim will be settled by repairing the damage. So, we would expect QIC to indemnify Mr S by carrying out effective and lasting repairs; this means it must put right the damage. And I think it's fair to give QIC a chance to do that since it means it can settle the claim fairly and that's what it should do under the policy.

And so, I think the most fair and appropriate way to settle this aspect of the complaint is for QIC to instruct its contractor to carry out the work.

### *Scope of work*

Mr S wants to agree a scope of works with QIC and I think that's reasonable. QIC should provide Mr S with their proposed scope of work. Under the terms of the policy QIC is able to

choose how to settle a claim; but I'd expect the insurer to take into account Mr S' circumstances.

### *Level of compensation*

Neither party agrees with the recommended level of compensation. Mr S says it barely covers the water rates, gas, and electricity charges he's had to pay over the last year. But a payment for distress and inconvenience isn't to reimburse him for additional costs he's had to pay, it's an award to recognise the impact of a shortfall in service. I recognise the worry and stress the matter has caused to Mr S but I don't agree that is all down to the actions of QIC.

It's inevitable that the situation and the claim will cause some level of inconvenience and upset. And I think QIC have taken steps to resolve the issues raised by Mr S – such as increasing the value of contents and agreeing to reimburse Mr S for the cost of the tumble dryer and fridge.

I think there have been delays in the progression of this claim. Some of those are due to Mr S and some are due to QIC. As previously explained QIC could have taken a pragmatic approach earlier and its failure to do so significantly impacted Mr S' daily life. And so taking everything into account I think £1,000 is appropriate to reflect the distress and inconvenience caused.

Further information on our approach to compensation can be found [here](#).

### *Council Tax*

Mr S raised the issue of the council tax again. QIC have agreed to reimburse Mr S for the additional council tax he's had to pay for, subject to evidence confirming the same. As far as I can tell Mr S hasn't provided that documentation to QIC. I understand he has had issues obtaining the relevant evidence but he should be able to obtain copies of previous bills or a statement of account. When he provides the evidence QIC will reimburse him for those costs paid.

In my provisional decision I asked QIC to add 8% simple interest to the council tax payments. But, given it agreed to pay the charges some time ago and hasn't received the evidence it asked for, I agree it's not fair to add interest to that payment. So I won't be recommending the additional interest here.

Mr S should provide QIC with bank statements, invoices, emails, or letters evidencing the council tax charges so it can reimburse him.

### *Loss Assessor*

Mr S has asked that I recommend the instruction of a loss assessor. As I explained in my provisional decision I'm not persuaded it would be fair to ask QIC to pay for the fees of a loss assessor since it already instructed a loss adjuster. Mr S can appoint a loss assessor if he thinks it would benefit him – but the cost of that would need to be borne by him.

### *Fridge and tumble dryer*

QIC have reimbursed Mr S for the cost of the tumble dryer as per the investigator's view. Mr S has said he now has a machine he's unlikely to use in the future and he wasn't told the cost of the dryer would be deducted from the laundry allowance. But I think that's fair. Instead of having his laundry taken away and re-delivered Mr S purchased the dryer. He was

reimbursed for this. It's not fair that he is paid a laundry allowance and the cost of the tumble dryer, especially since he's had the benefit of using it.

QIC has also agreed to reimburse Mr S for the cost of the fridge. And I think that's fair.

### *Other matters*

Mr S said I didn't refer to the £100,000 costs figure proposed by QIC to settle the claim. The reason for this is because it's not my role to assess the costs of a claim, and I'm not a claim handler. I can only look at the evidence and consider whether QIC have acted fairly.

Mr S has raised the issue of the cancellation of the replacement garage door, lack of security at his property, and the condition of his home worsening. But these weren't within the scope of the initial complaint to QIC and so I'm unable to comment further. Mr S should refer these to QIC in the first instance.

Mr S says interest should be added to the payment of the boarding up and stained-glass removal costs. QIC agreed to apply interest to this payment.

Mr S disagrees with the investigator's view of his claim for the contents of his caravan. He says there should have been a specific exclusion that says the policy doesn't cover those contents. Mr S doesn't have contents insurance for his caravan. His policy covers contents in the open up to a limit of £350. It also covers contents in an outbuilding, the definition of which specifically excludes caravans. So I think QIC acted fairly in confirming the limit for the caravan contents would be £350. QIC isn't liable for items not covered in the terms of the policy.

### *Conclusion*

On review of the information provided to me by both parties I think QIC has done enough to try and resolve this claim. I can see QIC tried to work with Mr S to the best of its abilities. Particularly where it didn't have contractors in its own network.

I appreciate QIC tried to assist Mr S during a difficult time but matters have been prolonged contributing to further distress and inconvenience.

QIC has already covered some costs of the claim including alternative accommodation. I think QIC has tried to be fair in assisting Mr S. But it doesn't have a never-ending liability to him or this claim. And so I think it's appropriate to now bring the matter to an end and settle things fairly. I am therefore upholding the complaint but I realise my directions to put things right will disappoint Mr S since I'm not requiring QIC to do everything he has asked for.

### **Putting things right**

Given the conclusions I've reached, as set out above, I direct QIC to;

- Arrange to take over reinstatement works.
- Provide Mr S with a copy of its scope of work
- Pay the remainder of the electrician's invoice. Add interest, at an annual rate of 8% simple, from the date the original settlement was paid to the date of settlement.
- Pay interest, at an annual rate of 8% simple, on the cost of boarding up and stained-glass removal costs from 11 June 2022 when the invoice was provided to the date of settlement.
- Reimburse the cost of additional council tax on receipt of evidence.



- Assess the claim for trees in line with the policy terms.
- Pay alternative accommodation costs until the home is habitable or the policy limit has been reached.
- Reimburse Mr S for the cost of the fridge on receipt of proof of purchase.
- Pay Mr S £1,000 to reflect the distress and inconvenience caused.

### **My final decision**

For the reasons I've explained I uphold this complaint and direct QIC Europe Ltd to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 May 2024.

Kiran Clair  
**Ombudsman**