

The complaint

Mr and Mrs A complain Accredited Insurance (Europe) Ltd didn't handle a claim against their home insurance policy fairly.

What happened

There has been a great deal of correspondence on this complaint, and it has evolved somewhat. Rather than repeat what's happened, which is well known to both parties, I will set out what an Investigator recently said:

"What happened

Mr and Mrs A made a claim under their property insurance policy following a fire at their home. A loss adjuster was appointed to scope the work and to value the contents of their home. Mr and Mrs A disagree with the value placed on their kitchenware and say the amount offered doesn't indemnify them.

Specifically, they say that some of their kitchen items were disposed of during the cleaning process by Accredited's appointed representatives and the settlement figure offered doesn't include those. To resolve things, they'd like Accredited to increase the settlement figure offered.

Accredited disagree. It says the offer it made covered all kitchen items, even those that could be salvaged and as Mr and Mrs A agreed to the offer, it shows it's fair. Accredited goes on to say that some of the items Mr and Mrs A are claiming for haven't been evidenced or substantiated and therefore sees no reason to increase the settlement figure.

There was another issue relating to the alternative accommodation arrangements but my colleague, [name of Investigator], addressed these in her assessment of 20 February 2024. As neither party has responded disagreeing with this aspect, I take it this part of the dispute is resolved. I'll therefore make no further comment.

My Findings

Accredited say that Mr and Mrs A discussed the value of their kitchen contents during a home inspection with the loss adjuster and agreed to the £3,300 offered. This was made up of £2,300 for the "larger items" and £1,000 for small items hidden inside the kitchen units such as crockery and cookware. Accredited say Mr and Mrs A accepted this offer at the time.

I've reviewed the bodycam footage of this discussion and while I accept Mr and Mrs A did agree to the settlement figure, they did so on the understanding some of the 'smaller items' could be salvaged. Although the loss adjuster does indicate the settlement figure includes all items, salvageable or not, I think Mr and Mrs A were given the impression most items could be cleaned and re-used so accepted the offer on that basis.

During the inspection the loss adjuster explains that, as part of the valuation process, a PDF document will be generated based on the information he recorded and would be sent to Mr and Mrs A to review and sign. I've seen no evidence that this document was sent to Mr and Mrs A that would allow them to digest the offer against the items in their home. As such, I don't agree them accepting the settlement figure is sufficient to say the amount offered is fair.

Accredited says some of the items Mr and Mrs A are claiming for haven't been substantiated through receipts or invoices. Mr and Mrs A say they don't have receipts due to the age and the types of items they were. I think their comments are plausible, especially when some of the items were gifts or presents.

Accredited say the items being claimed for aren't present on any photos or reports taken by the loss adjuster or its appointed representatives during their inspections or during the cleaning process. So, in the absence of Mr and Mrs A being able to evidence they owned the items, it maintains the offer it made is fair.

I've reviewed the bodycam footage of the initial inspection. The loss adjuster doesn't look in every cupboard or draw nor does the report list or photograph all the items within the kitchen. So, I don't agree the absence of photographs taken by Accredited is enough to say they didn't exist.

Mr and Mrs A say all the items being claimed for were in the property at the time of the fire but were disposed of by Accredited's contractors during site inspections between 28 November and 2 December 2022 so they're unable to evidence ownership.

Accredited refutes this and says it cleaned the property, including kitchenware in mid-November 2022 and says its contractors wouldn't dispose of items already cleaned.

I've reviewed the report from the 16 November 2022, in which the cleaning process starts. Some glassware and other items are pictured as being cleaned. But there's also images showing other kitchenware that hasn't been. And without a list or breakdown of what items were cleaned or disposed of in the 2 December 2022 report, it's difficult to agree all the items claimed for were salvaged.

Mr and Mrs A have been consistent with the items they're claiming for throughout the claims journey. They mention the [name of premium manufacturer] set and other baking items during the initial visit and have subsequently sent a list to Accredited with these items on it. I also find their testimony of what happened around the 2 December 2022 visit persuasive and without any further documentary evidence to show what items were cleaned at that time, it seems to me, on balance, they were disposed of.

In summary, whilst I appreciate Accredited's concerns, I'm satisfied, on balance, that Mr and Mrs A did own the items they are claiming for, they were led to believe the settlement figure wouldn't include them (as most could be salvaged) but were later destroyed or disposed of. As such, I don't agree the settlement figure offered fairly indemnifies them.

Mr and Mrs A have provided a figure of £2,736 they believe is a fair settlement. Based on what I've seen I don't think that looks unreasonable. Therefore, to put things right, Accredited should:

- Increase the initial £1,000 offer (for the smaller items) by £1,736.
- Add 8% simple interest from the date of the initial settlement figure was offered until the date of settlement.”

Mr and Mrs A didn't disagree with the Investigator's recommendation. Accredited did, repeating many of its previous arguments, namely that: Mr and Mrs A accepted the settlement, which included costs for items regardless of whether they could be cleaned or not; Mr and Mrs A accepted a higher settlement than they were entitled to on another part of the claim; and items Accredited are being asked to pay for haven't been substantiated.

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.

I find the Investigator's recommended outcome, and the reasons for it, fair and reasonable in the circumstances. And I don't have anything material to add to what has already been said. It follows I uphold this complaint in line with the Investigator's recommendation.

My final decision

I uphold this complaint and require Accredited Insurance (Europe) Ltd to:

- Increase the initial £1,000 offer (for the smaller items) by £1,736; and
- Pay simple interest* at 8% a year on £1,736 from the date the £1,000 was paid until the £1,736 is paid.

*If Accredited Insurance (Europe) Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs A how much it's taken off. It should also give Mr and Mrs A a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 29 May 2024.

James Langford
Ombudsman