

The complaint

Mrs S complains about the way Accredited Insurance (Europe) Ltd ("Accredited") handled a claim made under her home insurance policy.

What happened

In December 2022 Mrs S found that her home had flooded, so she made a claim to her insurer, Accredited.

Accredited began to deal with the claim, but Mrs S wasn't happy with how it was being handled. In particular, she said there were constant delays, that contractors had made it look like there were pre-existing issues when there weren't, and that she had to pay for things like her mortgage and council tax despite not living at the property. She was also unhappy about the amount Accredited settled her claim for, among other things, saying it wasn't enough for the building work needed. So Mrs S made a complaint.

In its response, Accredited said it hadn't treated her unfairly, and didn't uphold her complaint. Because Mrs S remained unhappy, she referred her complaint to this service.

Our Investigator considered all the evidence, but didn't think Accredited had to do any more. Because Mrs S didn't agree, the complaint has now come to me to decide.

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've decided not to uphold this complaint. I'll explain why.

Under Mrs S's policy, if Accredited chooses to cash settle the claim, it is only obliged to pay what it would cost its own contractors to carry out the work. The policy says:

"When settling your claim, if we decide that we can offer rebuilding work, repairs or replacements, we will ask you to choose one of the following options.

a. We will choose a contractor (our preferred contractor) and instruct them to carry out the rebuilding work, repairs or replacements.

b. We will pay you a cash settlement for the same amount it would have cost us to use our preferred contractor."

I know this may not seem fair to Mrs S, but it's standard in most insurance policies. So I'm satisfied Accredited has acted in line with the policy terms by offering a cash settlement as it is entitled to do. Accredited has also provided a detailed scope of works, so I've considered the scope carefully alongside all the evidence which shows the repairs that are likely needed to rectify the damage caused by the flood.

Having considered all the information provided, I'm persuaded that Accredited has been able

to demonstrate that the amount they've offered is what it would've cost them to have the work carried out by one of its contractors. I say this because the breakdown provided shows the repairs could've been completed for £102,479 – which is considerably less than Mrs S's reports which indicate it would cost her around £130,000 to have the repairs completed. But as I've mentioned, Accredited isn't obliged to pay Mrs S what it would cost her to pay her own contractors, under its policy – it's only obliged to pay her what it would cost its own contractors. So I'm satisfied the offer it's made is in line with its obligations under the policy.

Mrs S is unhappy that a figure of £25,000 was initially offered – but I can see from the information provided by Accredited that this was not an offer, nor was it a cost for the full scope of repairs, as drying had not been carried out at that point. This was an interim costing following a surveyor's site visit which was for the purposes of identifying urgent requirements and to give an idea of damage that was immediately evident to the surveyor.

Looking at the claim journey from March 2023 until December 2023 when the cash settlement was issued, I can't see that the delays have been avoidable or excessive. I say this because claims of this nature will always be complex, take considerable time to sort out and cause inconvenience along the way. I've considered whether the time taken and the inconvenience caused was greater than would ordinarily be expected when a claim for flood damage is made – and I don't think this was the case. I've also had to bear in mind that at certain points during the claim, matters were delayed due to circumstances outside Accredited's control.

In relation to the mortgage and council tax remaining payable at the property, this is usually the case even when the insured does not remain in the property. Some policies make an allowance for payments of this nature, and I can see that Accredited did reimburse Mrs S for her council tax while she was in alternative accommodation, but I can also see from the policy documents that the mortgage payments wouldn't be covered. So I won't be asking Accredited to do anything further in relation to those costs.

Mrs S has also said that Accredited fabricated claims of pre-existing damage, but I don't have enough evidence to persuade me of this. As our Investigator said, there were some discussions around pre-existing damage to skirting boards which turned out to be false, but I don't think this impacted the claim or the amount Accredited has offered.

I know Mrs S feels very strongly that an RICS surveyor should've been appointed much sooner, but I can't say Accredited hasn't met the terms of its policy by failing to meet Mrs S's expectations in this regard. I'm satisfied that surveyors who were suitably experienced were sent to investigate the claim and so I can't agree that Accredited did anything wrong by not appointing an RICS surveyor for several months.

I want to assure Mrs S that I've carefully considered everything she has provided, including the helpful timeline of events relating to this claim. And whilst I'm very sorry to hear of the stress and impact the claim had on Mrs S, I'm afraid I won't be requiring Accredited to do anything differently, for the reasons I've given above.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 23 August 2024.

Ifrah Malik

Ombudsman