

The complaint

Miss A and Mr H have complained about the settlement offered by Accredited Insurance (Europe) Ltd ('Accredited') following a claim under their home insurance policy.

References to Accredited include companies acting on its behalf.

What happened

Miss A and Mr H contacted Accredited to make a claim when their garden flooded, causing damage to the garden and outbuildings. A surveyor visited and assessed the damage and the estimated cost of repairs. Accredited reviewed the claim and identified that some of the items included in the costs weren't covered by the policy, such as bird houses. So, it revised the settlement offer.

Miss A and Mr H complained about how Accredited had handled the claim. When Accredited replied, it said some of the buildings repairs included by the surveyor weren't covered under the policy. So, it had to be reassessed to ensure the correct settlement was made. It said the surveyor had only added an estimate to the report, which needed to be referred to the in-house team before any settlement could be offered. A new visit took place and a revised cash settlement was offered. It also explained that the maximum payable under the contents element of the policy was £2,500. It had valued the contents settlement at £2,100, which Miss A and Mr H hadn't accepted. However, it offered £200 compensation, including for delays in call backs and for the surveyor visits to be completed.

Miss A and Mr H weren't satisfied with this response, so they complained to this Service. Our Investigator didn't uphold the complaint. He said the policy didn't cover aviaries, so it was reasonable that Accredited didn't offer a settlement for those outbuildings. Accredited had offered to do the work, but due to the pre-existing condition of the damaged areas, the contractor wouldn't be able to guarantee the work. It had also said it would consider quotes provided by Miss A and Mr H. He said the settlement offered was reasonable based on the policy terms and conditions. He also said the £200 compensation offered was fair to recognise the poor service during the claim.

Miss A and Mr H didn't agree that Accredited had fairly assessed the damage or supported them during 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 don't uphold this complaint. I will explain why.

From what I've seen, it isn't in dispute that some of the damaged items were bird houses and a chicken run. The policy said it covered outbuildings, but that this didn't include "*aviaries, pigeon lofts and tree houses*". So, I'm satisfied that Accredited didn't need to cover those parts of the claim. The surveyor had included the bird houses in the claim, so I think it was reasonable that Accredited removed them and revised the claim settlement. I'm aware this reduced the claim settlement figure by a significant amount.

Accredited offered a revised cash settlement of £3,351.98 for the buildings part of the claim and said the VAT element was also reclaimable if Miss A and Mr H provided evidence of paying this. Accredited told Miss A and Mr H it could do the repairs. However, it noted that the pre-existing condition of some of the damaged areas meant the repairs couldn't be guaranteed. It also confirmed it would consider quotes from Miss A and Mr H if they wanted to provide these.

Accredited only needed to offer a settlement for the damage covered by the claim. The policy also said it was for Accredited to decide how to settle the claim and that where it offered a cash settlement, this would be for the amount it would have cost it to do the work. I think the amount Accredited offered was fair in the circumstances and in line with the policy terms and conditions.

I'm aware Miss A and Mr H weren't satisfied with the settlement for the workshop roof and said its assessment of the damage wasn't accurate. So, I've looked at this. Accredited identified issues with its construction, including that the roof was sagging. It explained why it didn't consider this to be related to the claim incident. I think that was reasonable. Miss A and Mr H also wanted Accredited to pay for damage to another shed. Accredited has explained that the shed was generally in poor condition but none of this could be attributed to the flood. Again, I think that was reasonable. Miss A and Mr H also said the full costs of disposal should be included in the settlement. Accredited has provided evidence that the disposal costs were included in the scope of works. So, having looked at these items, I'm satisfied Accredited's claim decision was reasonable.

Miss A and Mr H were also concerned about how Accredited dealt with the claim and its lack of support. When Accredited responded to the complaint, it accepted there had been issues with the service it had provided. This included delays in returning phone calls and in completing the survey. Having thought about the claim overall, including the avoidable delays and communication issues, I think the £200 compensation offered by Accredited was fair in the circumstances.

As a result, I don't uphold this complaint or require Accredited to do anything further in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A and Mr H to accept or reject my decision before 18 September 2024.

Louise O'Sullivan
Ombudsman