

The complaint

Miss R complains about how Ageas Insurance Limited (Ageas) handled a claim under her home insurance policy for damage to her property caused by a leak from a bathroom.

Ageas use agents to administer the policy and to assess claims. References to Ageas include these agents.

What happened

The following is a summary of events, as the detail of what happened over the course of this case is known to Miss R and Ageas.

In September 2022 Miss R contacted Ageas to tell them about a leak from a burst pipe in her bathroom and lodge a claim for damage to the bathroom, kitchen and dining room. Ageas appointed a supplier (E) to assess the damage and handle the claim. Ageas also appointed a contractor (A) to carry out the reinstatement work.

Ageas approved a scope of reinstatement work in October 2022, with a revision to the scope for matching sets later in the month. A separate firm (S) attended later in October to inspect the property for asbestos and Ageas issued a cash settlement for damaged contents at the beginning of November 2022. Following stripping out, the work began in December 2022 and was completed in February 2023.

Unhappy at delays and the handling of her claim, Miss R complained at the end of November 2022. Setting out a timeline of events, she said it took ten weeks for dehumidifiers to be supplied. She'd been without lighting in the kitchen and dining room and only had two useable sockets in the kitchen. So, she'd had to stay with family and friends (for which she wanted an allowance). She also wanted compensation for delay to the work starting and reimbursement for electricity and water used. The stress was affecting her health.

Ageas upheld the complaint and in their final response issued in January 2023 they apologised for the service they'd provided. They acknowledged delays due to cost variations requiring authorisation and duplication in asbestos testing. In recognition of the trouble and upset caused, Ageas awarded £200 compensation (which Miss R declined to accept).

Miss R then complained to this Service about delays in the assessment of her claim and the time taken to carry out the work. She was also unhappy with the standard of the work in the kitchen, even after A returned to address her concerns. She'd also had to engage a cleaning company to clean her property after completion of the work. She wanted Ageas to rectify the sub-standard work, payment for staying with family and friends from the date of the leak and compensation for the distress and inconvenience she'd suffered.

Following her initial complaint, Miss R engaged her own surveyor, who prepared a report on the 'snagging issues' (July 2023) which was referred to E for consideration. A further visit from A took place in September 2023 to assess the issues and rectification required. Miss R didn't hear back from Ageas after she told them about the snagging issues, so raised a further complaint.

Ageas issued a further final response (September 2023) in which they noted Miss R had been offered £1,000 as a cash settlement for the rectification work. Miss R's own quotation was higher (£2,360) but Ageas considered it included works not related to the claim and the initial incident. Ageas also awarded a further £100 compensation for delays and the associated distress and inconvenience. Miss R declined both offers.

Our investigator then considered Miss R's complaint but didn't uphold it. She noted Ageas had subsequently offered a further £100 compensation and offered to review the snagging issues based on Miss R's contractor invoice. She noted claims of the nature of Miss R's took time to be completed and the associated work lead to disruption and inconvenience. Review of the case events indicated delays, but Ageas communicated with Miss R regularly. There was a failure to manage Miss R's expectations. In the circumstances, she thought Ageas's offer of a total of £400 compensation was fair and reasonable.

On the issue of reimbursement for the time spent staying with family and friends, she thought Miss R's property wasn't uninhabitable, so Ageas hadn't acted unreasonably in not offering alternative accommodation. On the offer for rectification of snagging issues, it was reasonable for Ageas not to cover costs of work not linked to the original incident and to offer to review paid invoices and consider increasing their offer.

Miss R disagreed with the investigator's conclusions and asked an ombudsman review the complaint. She didn't agree the property was habitable, as she didn't have cooking facilities due to the disruption. And she'd initially been told by Ageas she could move into alternative accommodation of her choice or receive an allowance if she stayed with relatives. She also reiterate her concerns about delays in handling of the claim and the condition of her property from the reinstatement work.

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.

My role here is to decide whether Ageas have acted fairly towards Miss R.

There are several elements to Miss R's complaint. They include delays in assessing the claim and carrying out the reinstatement work, initially from the time Miss R first notified them of the leak in September 2022 to the completion of the work the following February. There are also the subsequent concerns from Miss R about the quality of the work (in the kitchen) and the 'snagging issues and how Ageas responded to these (including their cash settlement offer). A further issue is alternative accommodation and whether Ageas should have provided this (or an allowance for Miss R staying with relatives).

Taking these issues in turn, looking at the sequence of events from when the claim was first notified, it took some three months for the reinstatement work to commence in earnest, following assessment of the damage, drawing up a scope of works and arranging for necessary inspections for asbestos and dehumidifiers to be installed in the property. Ageas acknowledge in their first final response there were delays and they've set out some of the reasons, including the need for additional approvals given the estimated costs of the work and delays in arranging inspection for asbestos. It also took some time for dehumidifiers to be installed.

Given these factors, I agree the delays meant Ageas didn't act fairly and reasonably towards Miss R and she suffered distress and inconvenience as a result. I also appreciate the

frustrations she felt, having listened (as I'll come on to) calls she made in October 2022 which included discussion of alternative accommodation.

While the nature and extent of the damage from the leak would have always involved significant disruption and the need to involve different firms to deal with assessing the damage and the reinstatement work, the points above lead me to conclude compensation for distress and inconvenience is appropriate as a way of Ageas putting things right. Having considered the circumstances of the case in the context of the guidelines on awards for distress and inconvenience published by this Service, I've concluded Ageas's offer of £200 compensation for distress and inconvenience to be fair and reasonable.

Moving on to the issue about the standard of the reinstatement work, I can see Miss R raised her concerns and A initially went back to assess her concerns, which they thought had been resolved. But Miss R wasn't satisfied. I can then see Ageas advised Miss R (in a further final response in March 2023) to engage her own surveyor to inspect the work and report. After receiving the report, it appears A visited the property and based on their inspection Ageas offered £1,000 as a cash settlement for rectification of the issues.

Ageas acknowledge there were delays after receiving the surveyor report through to making their cash settlement offer, offering £100 compensation. A further £100 compensation has also been offered. In the circumstances of the case I think this is fair and reasonable. I'd expect an insurer to respond to concerns from a policyholder about the quality of work, which is what Ageas (and their agents) have done – albeit over an extended period from when the work was originally completed.

On the cash settlement figure itself, it is lower than the estimate provided by Miss R, but this reflects Ageas's view that some of the work in the quote wasn't attributable to the original leak and claim. It's also likely to be the case that any cash settlement figure would be based on the cost to them through their preferred supplier. This is common practice with household insurance policies, as insurers are able to use their purchasing power to secure discounts from their preferred suppliers – which individual policyholders are unlikely to secure. This reduces the cost of claims for insurers, which in turn is reflected in the cost of policies. I can't conclude it's inherently unfair or unreasonable.

Our role isn't to act as claims assessors, so I don't think Ageas have acted unfairly. They subsequently offered to consider the costs of any rectification work by Miss R's contractor if she would prefer them to carry out the work (rather than Ageas's contractor). While I recognise Miss R's concern they may not accept the costs, I think it's a reasonable offer to resolve the issue (given Miss R wasn't willing to accept their cash settlement offer).

On the issue of alternative accommodation or an allowance for Miss R when staying with relatives, from what I've seen this was discussed initially ahead of the commencement of the reinstatement work. Listening to the call recordings at the time, Miss R sets out the issues at her property (a lack of lighting in the kitchen and dining room and limited sockets in the kitchen and was told if she felt uncomfortable in that situation, alternative accommodation could be considered (or a contribution towards staying with relatives). Miss R says she can't recall, but from the call recording she was advised to contact E to discuss this should she want to do so. But I haven't seen any indication this was pursued by Miss R. Ageas say had Miss R done so, they (E) would have considered any costs over and above those Miss R would have usually incurred had she remained at her property. In the absence of any indication Miss R took up the option of discussion the issue with Ageas (with E) then I can't reasonably conclude they acted unfairly or unreasonably in their offer, and this may be why the issue wasn't covered in Ageas's subsequent final response. But if Miss R wanted to pursue this issue, she could choose to raise it with Ageas (with E) – although they've indicated in subsequent correspondence with this Service they wouldn't consider alternative

accommodation appropriate in the circumstances of the claim. There's also an email from E in November 2022 which states their surveyor didn't consider the property uninhabitable.

Taking all these points into account, I've concluded Ageas acted fairly and reasonably in handling Miss R's claim. My understanding is Miss R has declined to accept either the cash settlement offered for the residual issues with the work at her property, or the total of £400 compensation Ageas awarded for distress and inconvenience. While I've concluded both are fair and reasonable in the circumstances of the case, I think Ageas should pay Miss R the compensation. On the cash settlement offer, or the alternative offer of considering the invoiced cost of the work set out in the quote from her contractor and reimburse an appropriate amount, that would be a decision for Miss R to take.

My final decision

For the reasons set out above, my final decision is to uphold Miss R's complaint in part. I require Ageas Insurance Limited to:

- Pay Miss R a total of £400 compensation for distress and inconvenience.
- Either pay Miss R their cash settlement offer of £1,000 for the residual issues at her property or, if Miss R would prefer, consider the invoiced cost of the work set out in the quote from her contractor and reimburse an appropriate amount.

Ageas Insurance Limited must pay the compensation within 28 days of the date we tell them Miss R accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 12 July 2024.

Paul King
Ombudsman