

The complaint

Mrs D and Mrs E have complained about Accredited Insurance (Europe) Ltd's handling of an escape of water claim made under their buildings insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving the reasons for my decision.

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.

- The relevant regulators rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've taken those rules into account, along with other relevant considerations such as the contract terms and the relevant regulatory guidance and principles, when deciding whether I find Accredited treated Mrs D and Mrs E fairly. Having done so, and although I'm sorry to disappoint them, I've reached the same conclusion as our investigator. I'll explain why.
- I fully accept that the claim was reported promptly and that prior to lifting the floor, there were no visible signs or indicators of water escaping. However the evidence from the appointed surveyor and then the specialist supplier concluded that the escape of water was due to defective silicone sealant around the shower enclosure. This is excluded by the policy. As I'm satisfied that Accredited has shown the exclusion applies here, I don't find it was liable to pay the claim.
- However the leak was first reported to Accredited on 20 September 2023 – a representative then attended and left a dehumidifier in order to assist the drying out process. On 26 October 2023 they surveyor attended and reported on the cause of damage. Not having heard further, Mrs D and Mrs E contacted Accredited some days later. They advised that the shower room hadn't been used since the leak was detected but was required by two elderly people living in the house. On 4 November 2023 they were advised that the surveyor's report hadn't yet been received. I can understand how disappointing this was – as the claim had first been made in September.
- Mrs D and Mrs E chased Accredited a few days later. They were promised call backs that weren't made. Finally on 14 November they spoke to an adviser who told them a claims handler hadn't yet been assigned to the claim. Again I can appreciate how frustrating this was for Mrs D and Mrs E.
- On 17 November Accredited advised Mrs D and Mrs E that their claim wasn't covered, but then told them in error that as the policy started on 20 September the leak must've occurred before that date. Mrs D and Mrs E corrected this inaccurate

conclusion – the policy commenced in June. Accredited agreed to send a leak detection team out and issued a final response in January 2024. This was that the claim wasn't covered as the escape of water was due to the poor sealant. I can see that Mrs D and Mrs E had a poor claims journey and had to chase Accredited for a response to their claim and ultimately needed to raise a complaint. I agree that compensation is merited for the service they received.

- In assessing how much compensation is fair and reasonable I've taken into account what Mrs D and Mrs E have told us about their situation. They had moved to the property in order to care for two elderly relatives, one of who is registered disabled and at the time was using a frame. The other, also elderly, had to bathe upstairs. Mrs E asked whether the shower could be used but didn't receive a reply so had to hand wash the elderly male relative. I can't award compensation to the relative who isn't a policyholder, but I accept how stressful the situation was for Mrs E. Additionally she had to chase many times for information and was given an incorrect answer regarding the policy start date.
- Accredited explained why the claim wasn't payable in its final response to the complaint. It acknowledged too that Mrs E had chased for responses. But I find that Mrs D and Mrs E were caused significant inconvenience, distress and upset over several weeks by the poor service they received. Some delays were avoidable. As the claim wasn't payable, I don't agree that Mrs D and Mrs E should have been offered alternative accommodation. However, I do find that compensation is merited. In all the circumstances I'm satisfied that a payment of £400 is fair and reasonable.

My final decision

My final decision is that I uphold this complaint. I require Accredited Insurance (Europe) Ltd to pay Mrs D and Mrs E £400 in compensation.

I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mrs E to accept or reject my decision before 18 September 2024.

Lindsey Woloski
Ombudsman