

The complaint

Mr C is complaining about the way Aspen Insurance UK Limited has handled a claim he made on his commercial property insurance policy.

Aspen has used a loss adjustor to handle the claim on its behalf. But, for ease of reference, I shall refer to anything the loss adjustor has said or done as being done by Aspen.

What happened

Mr C owned a buy-to-let property. In December 2022 a pipe burst causing damage to his property and the property below. So he contacted Aspen to claim for the damage against his commercial insurance policy.

The property was uninhabitable due to the extent of the damage, so Aspen paid to put Mr C's tenant in alternative accommodation. It also agreed to pay him an amount to cover his extra expenses due to being out of the property. In March 2023, Mr C complained about the way Aspen was handling his claim. This Service considered that complaint in a separate complaint.

In November 2023, Mr C raised a further complaint with this Service. In particular he was unhappy about the following:

- He believed there were continuing unreasonable delays in the handling of the claim.
- Aspen provided him with false information – e.g. on one occasion a contractor allegedly came out and took readings, but he didn't think this was true as the evidence suggested the contractor had never attended his property.
- Aspen's loss adjustor continually didn't reply to his emails.
- Aspen frequently took significantly long periods of time to pay settlement costs – e.g. loss of rent, council tax, utility bills. This put him into severe financial difficulties meaning he was unable to afford to go to events and had to cancel his holiday to ensure he could keep up with his mortgage payments.
- His tenant didn't receive his disturbance allowance at times and Mr C had to chase this up as his tenant was asking for updates through Mr C. He says his tenant ended the tenancy agreement early because of Aspen's actions.
- The delays, non-communication and non-receipt of settlement funds caused him severe distress and ill health. He said it had had a significant impact on his personal health and caused marital rifts.

Aspen acknowledged it could have handled the claim better. It apologised for this and offered Mr C £350 in compensation. Mr C didn't think this was a fair resolution so referred his complaint to this Service.

Our Investigator upheld this complaint and thought Aspen should increase its compensation to £650. Aspen agreed but Mr C didn't and asked for an ombudsman to review the complaint.

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've come to the same conclusion as the Investigator and I'll now explain why.

I should first set out that I acknowledge I've summarised Mr C's complaint in a lot less detail than he's presented it. Mr C has raised a number of reasons about why he's unhappy with the way Aspen has handled this matter. I've not commented on each and every point he's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Mr C and Aspen, however, that I have read and considered everything they've provided.

Furthermore, in this decision, I should also explain I'm considering Aspen's handling of the claim after it issued its final response letter in March 2023. This Service has already considered Aspen's actions before this date in a separate complaint.

Mr C has said there were significant delays in the handling of the claim but I don't think I've seen anything to support that. It's clear the claim took longer than was expected, but I'm persuaded that the claim was delayed because asbestos was discovered in the property. It seems works weren't able to start until the asbestos was removed which isn't unreasonable.

I do, however, think Aspen has given Mr C false information about what was happening with the claim – such as telling him it had installed drying equipment when it hadn't. And this will have understandably and reasonably given him a belief Aspen was delaying the claim. I do think there were some instances it could have been a bit more pro-active. But I'm not persuaded this had a profound impact on the claim journey. And, ultimately, Aspen has covered Mr C's loss of rent during this time so he hasn't lost out due to the time it took Aspen to arrange and complete the repairs.

Ultimately, this wasn't an insignificant claim. Significant water damage was caused to the property and the presence of asbestos made the claim more complex. However, while I don't think Aspen caused wholly unreasonable delays, it's clear that the way it communicated with Mr C did cause him unreasonable and significant upset.

I find I'm persuaded by what Mr C has told us and the complaint points he's raised are fair and valid. I'm not going to set them out again, but it's clear from the correspondence Mr C sent to Aspen that he was getting increasingly exasperated by Aspen's inactivity. And I can understand why. There were prolonged periods of time where he was out of pocket – such as it took over a month to provide Mr C with his loss of rent payment in August and a more significant delay in paying the council tax (amongst others). And this was exasperated by Aspen's delays in reply to his emails. I'm also persuaded this put Mr C into financial difficulties.

Mr C had to send Aspen numerous emails continually chasing updates on the complaint, understanding when he'd receive settlement payments and correcting errors. He's also provided a letter from his doctor setting out the impact this has had on his health.

I have no doubt that Mr C has suffered a lot of distress and inconvenience as a result of this claim. But I do also think a large part of this is an unfortunate and inevitable consequence of the claim itself. Aspen isn't liable for this. But it should have made the claim journey a lot smoother for Mr C. And I think it has caused him a significant amount of avoidable distress and inconvenience for the reasons I've set out above. And it's right Aspen compensates

Mr C for this.

The Investigator recommended Aspen pay Mr C £650 in compensation (an increase from the £350 Aspen initially offered). I note Mr C doesn't think the compensation the Investigator awarded is fair. But £650 is a significant compensation award and is in line with what I would have awarded. So I think Aspen should pay this to Mr C.

My final decision

For the reasons I've set out above, it's my final decision that I require Aspen Insurance UK Limited to pay Mr C £650 (increased from £350) in compensation. It should pay this to him directly if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 December 2024.

Guy Mitchell

Ombudsman