

## **The complaint**

Mr N is unhappy with how long it took Haven Insurance Company Limited to settle a claim.

This complaint involves the actions of a loss adjusting firm for whom Haven are responsible. Any references to Haven includes the adjusting firm and its agents.

## **What happened**

Mr N held a buildings and contents insurance policy underwritten by Haven.

In 2021, Mr N's property suffered extensive flood damage, so he made a claim to Haven. In May 2022, Haven had produced a report which included a settlement amount of £24,532.68 for Mr N's contents.

In April 2023, Mr N said to Haven's loss adjuster that he was having trouble finding replacement items at the prices they'd agreed to. The loss adjuster said the settlement was based on the figures provided by Mr N and that there would be no further adjustment or negotiation. Mr N accepted this and signed a full and final settlement form on 30 May 2023.

Haven didn't pay the settlement amount, so Mr N complained in June 2023. Haven apologised for the delay and offered £75 to put things right. Mr N said he was concerned about the settlement amount because of rising inflation. He asked Haven if it would increase its offer to £250. Haven increased its offer to £150 and said Mr N would need to speak to the loss adjuster if he's concerned about the settlement amount.

When Mr N still hadn't received the settlement payment, he complained again in October 2023. Haven admitted to causing further delays. It apologised and offered an additional £350 of compensation. Haven finally paid the settlement amount at the end of November 2023.

By that point, Mr N had already referred his complaint to the Financial Ombudsman as he didn't think Haven had treated him fairly. He wanted Haven to pay interest on the amount at the same rate as the UK's retail price index (RPI).

Our investigator looked into the complaint and thought it should be upheld. She thought Haven had caused unreasonable delays. But, as Mr N had accepted the settlement in full and final discharge of the claim, and as Haven had paid this, she didn't think Haven should pay more. However, for the delays, she thought Haven should pay Mr N a further £475 as well as the previous amounts it had offered to him.

Haven agreed to pay the further £475.

Mr N didn't agree. He was unhappy that his items were more expensive to replace because of the delays. He also said he felt pressured by the loss adjuster to accept the amount. Our investigator didn't change her stance.

Mr N made a further complaint to Haven about the amount it had paid, but Haven said Mr N had signed and accepted the amount in full and final settlement. So, it didn't uphold the complaint.

Because Mr N didn't agree with our investigator, the complaint has come to me to make a final 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.

Having done so, I'm upholding the complaint to the extent that I'll be telling Haven to pay the compensation recommended by our investigator – as I think this is a fair outcome. I'm not awarding further compensation or telling Haven to add interest to the settlement.

I know this will be disappointing for Mr N and I'm sorry about that. I'd like to reassure him that I've read everything he and Haven have provided. I've explained my reasons below, and I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

The crux of the matter, in my view, is whether Haven should pay a further amount to Mr N for the delays it caused in paying the settlement amount.

I've read the settlement agreement that Mr N signed on 30 May 2023. This stated that Mr N agreed to accept the sum of £24,532.68 in full settlement and discharge of the claim.

Mr N says he felt pressured to accept this because the loss adjuster had told him there would be no further adjustment or negotiation. Mr N has highlighted that "no further" was written in capital letters and in bold, and Mr N found this threatening. I'm satisfied that if Mr N was unhappy with the settlement amount, he could have registered a complaint with Haven before signing the agreement. He had complained to Haven previously in 2022 so I think the process would have been familiar. I've seen nothing to suggest Mr N didn't understand what he was agreeing to, and I think the agreement was clear.

As Mr N signed and accepted the amount in full and final settlement, this is what I would have expected Haven to pay to settle the claim.

However, Haven ought to have paid this much sooner than it did. I can see Haven had some final enquiries to make. But it experienced and has admitted to substantial delays; one of which spanned more than three months. Mr N had to send several chasers and raise two complaints before the claim was settled. I think this would have been deeply frustrating and inconvenient for Mr N.

Mr N would like Haven to apply the UK's rate of inflation to the settlement amount, for the period between his acceptance and the date of payment. I don't consider that this would be reasonable. I say that because inflation was primarily driven by certain types of costs which wouldn't apply evenly to Mr N's contents. The rate is also a measure of change over twelve months, so applying it to a range of different items over a shorter period wouldn't be practical or accurate. In any event, the headline inflation rate was relatively low over the second half of 2023.

With that said, I accept that Mr N likely would have found certain items more expensive to replace in November 2023, compared to earlier in the year. I think the fairest and most practical outcome would be for Haven to compensate Mr N for the frustration and inconvenience of the delays and the impact on his ability to replace certain items.

Our investigator recommended Haven pay a further £475, which Haven accepted. This is in addition to the £500 of compensation Haven offered previously – made up of £150 in July 2023 and £350 in November 2023.

I think this amount, in total, is fair to recognise the impact of Haven's poor service. The amount is also in line with our published compensation guidelines. So, I order Haven to pay Mr N a further £475. Haven must also pay the previous amounts it offered to Mr N, if it hasn't done so.

I know this is likely to be disappointing for Mr N. I want to stress that I believe the service Haven provided has been poor. It caused significant delays on top of what I can see has been a very long and difficult claim. But I'm satisfied the total compensation I've set out represents a fair way to resolve the matter.

### **Putting things right**

To resolve this complaint, Haven must:

- Pay Mr N a further £475 of compensation for distress and inconvenience.
- Pay Mr N any amounts outstanding from its previous offers.

### **My final decision**

For the reasons I've given, I uphold Mr N's complaint about Haven Insurance Company Limited and direct it to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 28 October 2024.

Chris Woolaway  
**Ombudsman**