

## **The complaint**

Mrs K complains about the service she received from Accredited Insurance (Europe) Ltd after making a claim under her home insurance.

Where I've referred to Accredited, this also includes any actions and communication by agents acting on their behalf.

## **What happened**

In September 2023 there was a fire in the loft at a neighbouring property adjoining Mrs K's home. The neighbouring property was being used as a cannabis farm. Mrs K made a claim to Accredited, her home insurer, for both smoke damage and damage caused by water when the fire next door was extinguished.

Mrs K and her family moved to a short-term rental property as her home was uninhabitable. And later, a longer-term rental property was required.

Mrs K raised several complaints with Accredited. This included the way her claim was being handled by Accredited, the alternative accommodation, service received from the claim handler, and the contents settlement. Accredited issued final responses to the complaints but as Mrs K remained unhappy, she approached the Financial Ombudsman Service.

One of our investigators looked into things. She explained that her consideration of the complaint was limited up to 13 December 2023 when Accredited had issued their most recent final response. The investigator recognised Mrs K was unhappy with a number of things that had happened after this point, but she said this would be a separate complaint that Accredited would need to consider in the first instance.

For the time period and complaint points the investigator was considering, she said that she thought Accredited could've done more in relation to the alternative accommodation by recognising Mrs K's concerns and suggesting alternatives. She also recognised that Accredited had delayed some of the alternative accommodation payments which had caused Mrs K additional distress and inconvenience. So, the investigator recommended Accredited pay Mrs K £500 compensation.

The investigator said she thought Accredited had acted fairly by declining to pay the rental deposit or for new beds for the rental property beyond those that were already accepted under the claim. She also said that there wasn't any evidence to support Mrs K being told all contents items in the loft would be replaced, but if Mrs K was able to provide any further evidence of those items being damaged, Accredited said they would consider them further and she thought that was fair.

Ultimately Accredited agreed with the compensation the investigator recommended, although they didn't entirely agree they handled things poorly. But Mrs K didn't agree with the recommended compensation amount, so the case was passed to me for 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, whilst I appreciate it'll come as a disappointment to Mrs K, I've reached the same overall outcome as our investigator.

I'll also explain that I don't intend on commenting on every event or communication that occurred during the history of the claim. Instead, I'll focus on what I think is key when reaching a final decision on what I consider is fair and reasonable in all the circumstances of the case. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role in it. But I'd like to reassure both parties that I've considered all the information they've provided when reaching my final decision.

In response to our investigator's assessment and recommended compensation, whilst Mrs K didn't expand on this point or the specifics of the rules, she said:

*"Consumer Duty Conduct Rule introduced before the FCA which states that a firm must act to deliver good outcomes for customers act in good faith, avoid causing foreseeable harm."*

I have taken these rules into account when deciding what, in my opinion, is a fair and reasonable outcome in all the circumstances.

### **The complaint points**

Like our investigator, I'm also only considering up to 13 December 2023 which was the date of the last final response from Accredited. I'm also only considering the complaint points already addressed by Accredited in their final responses. These were the handling of the alternative accommodation, the claim handler was rude and wouldn't agree to covering the rental deposit and new beds, and the contents settlement.

Mrs K mentioned additional issues to our investigator which are after the period I'm considering, which haven't been formally addressed by Accredited. So, these don't form part of this complaint consideration. This includes:

- Late payment of council tax and utility bills which has caused arrears, resulted in a court summons, and impacted Mrs K's credit score
- Whether a disturbance or inconvenience allowance payment is due
- Additional costs incurred as a result of being in the rental accommodation
- Delays in being sent documents relating to the building works and the associated settlement
- Ongoing customer service and communication issues
- The property still smelling of smoke

As explained by our investigator, these complaint points would need to be raised with Accredited to consider in the first instance. And once Accredited has issued their final response, if Mrs K remains unhappy, we'd be able to consider that as a new separate complaint, subject to our usual rules and timescales.

#### Alternative accommodation

Mrs K's property was uninhabitable following the fire next door and she was initially in short-term rental accommodation. I can see from the information provided that Mrs K had to regularly chase Accredited for the payments due, so the accommodation could continue to be booked through the booking platform. It's clear Mrs K had to contact Accredited a number of times about this. Fortunately, the property owner appears to have been very accommodating. But I can understand how frustrating, worrying and inconvenient this would have been for Mrs K, when it was already a distressing time having just had her home damaged by a fire next door.

It was later decided that because of the condition of the roof at Mrs K's home, a longer-term rental property was required. Accredited provided one link to an available property, but Mrs K had significant concerns about the area and the safety of her family. She also made Accredited aware of her caring responsibilities for a family member and that the suggested property was much further away which would impact this.

Mrs K suggested an alternative property, at a much higher price than that suggested, but Accredited didn't agree to this due to the increased cost. I agree with Accredited that they wouldn't necessarily need to cover a much higher cost than for a property they otherwise could obtain, if it was a reasonable comparison. But it does look like Accredited failed to take into account Mrs K's concerns about the suggested property, and didn't make any other suggestions, or provide any help to find alternatives.

Having considered all the information provided, I agree with our investigator that £500 compensation for the handling of the alternative accommodation part of the claim is a fair and reasonable amount in all the circumstances, so that's what I'll be directing Accredited to pay Mrs K.

### The claim handler

Mrs K has complained that the claim handler was rude to her and refused to cover the costs of new beds when the longer-term rental owner said they couldn't bring the beds from their home. Mrs K is also unhappy that Accredited wouldn't pay the rental deposit.

I've listened to the call. During this, the claim handler explained that they wouldn't pay for all new beds, this was because they didn't agree all were damaged due to the fire or smoke. Instead, Accredited explained the beds in the loft had already been accepted under the claim but they didn't agree those on the first floor needed replacing too. I don't think Accredited's position on this was unfair, as they wouldn't be responsible for providing new beds if they weren't accepted as needing replacing due to the insured event. I do note the rental owner didn't want the beds from Mrs K's home in their property, but that's not something I can hold Accredited responsible for given Accredited already concluded they weren't smoke damaged, contaminated or needed replacing.

Accredited also explained that the rental deposit would be something Mrs K was responsible for. I don't think that was unreasonable. The purpose of the deposit is to cover any damage caused by a tenant in the property, and if no damage is caused by the tenant, the deposit is returned at the end of the rental agreement.

So, as Mrs K would be the tenant, and the person responsible for keeping the rental property in a good condition etc, the deposit would be returned to her if she did. If Accredited paid the deposit instead, and there were issues with the way the rental property was kept by Mrs K and deductions were made by the owner, Accredited would have had difficulty in challenging this as they weren't the tenant. They then would have needed to recover those deductions from Mrs K directly. Ultimately Accredited agreed to pay the six months rent upfront in a lump sum to Mrs K, so the deposit could have been taken from that if needed in the first instance.

Whilst I note Mrs K says the claims handler was rude to her, from listening to the call it's clear Mrs K didn't agree with the position on the deposit or beds, but I don't think the claims handler was rude as alleged.

### Contents settlement

Mrs K has complained about the settlement she's received for her contents. Ultimately, she says that she was told all contents in the loft would be covered under the claim because cleaning it all would have been excessive and not cost effective.

Like our investigator, I haven't seen any firm evidence of this being told to Mrs K. But even if there was, unless the items were deemed damaged and beyond repair, I wouldn't think Accredited would be acting unfairly by cleaning them (or covering the cost of cleaning them) rather than covering the cost of them being replaced. And Accredited has already included an additional £890 in the contents settlement for cleaning the items.

Accredited visited the property and completed reports concluding what contents were and weren't covered under the claim, what would need replacing and what could be cleaned. This is significantly different to the amount of contents Mrs K says needs to be included in the claim for replacement. Mrs K doesn't agree with Accredited's conclusions and has provided a number of images of the contents that were in the loft that haven't been accepted by Accredited. However, from the images, I can't see any damage to those items. And where there were marks on some items, these appeared to be dust from storage, rather than smoke or soot damage rendering them beyond repair/cleanable.

As we are an informal service, we can only consider the evidence and information provided by both parties, we aren't able to visit and inspect the items physically. So, this means I can only review images of them, which doesn't enable me to determine if there is a smoke smell as alleged by Mrs K. The same also applies to the beds on the first floor, Mrs K says they smell of smoke and need replacing but Accredited disagrees they smell or need replacing.

Accredited has already told Mrs K that if she can provide any evidence of items that haven't yet been accepted that are damaged and beyond repair, they'll consider those items further. I think that's fair and reasonable in the circumstances. And in the absence of any evidence that shows smoke or other damage to the content's items not included in the claim settlement, I don't think Accredited has acted unfairly by declining to replace or cover them under the claim at this stage.

### **My final decision**

It's my final decision that I uphold this complaint in part and direct Accredited Insurance (Europe) Ltd to:

- Pay Mrs K £500 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 August 2024.

Callum Milne  
**Ombudsman**