

## **The complaint**

Miss C and Mr O complain about the way The National Farmers' Union Mutual Insurance Society Limited ("NFU") handled a claim they made on their home insurance policy.

## **What happened**

In 2011, there was an escape of water in Miss C and Mr O's property. NFU accepted the claim and it progressed for a time, until it stalled around 2015. In 2022, Miss C and Mr O got back in touch with NFU, regarding various points they were unhappy about.

In November 2023 Miss C and Mr O made a complaint to the Financial Ombudsman Service. They were unhappy with how the claim had been handled, the drying of the property, the amount paid to reinstate the property and the alternative accommodation paid.

In June 2024, an Ombudsman colleague issued a jurisdiction decision on the complaint. She said for most of the issues complained about, Miss C and Mr O had complained too late, meaning that, for those late issues, this Service couldn't consider them.

The Ombudsman said this Service could consider Miss C and Mr O's complaint about the information they were given by NFU regarding this service's ability to consider their complaint points.

An investigator here considered that complaint point. She also considered another complaint Miss C and Mr O had made about NFU not adding interest on payments that they considered had been made too late. Our Investigator was satisfied we could look at that point given it was covered in NFU's final response letter (FRL) of May 2024. NFU's response to that, in its May 2024 FRL, was that it didn't consider it had made payments late. But it later said to this Service that it could only consider interest once a claim settlement had been agreed. It said it had offered around £170,000 to resolve the claim in March 2024, or for it to carry out a full validation of the claim. But as Miss C and Mr O have refused to confirm if they accepted the settlement offer, it couldn't look into any interest payments.

Our Investigator said it's not the role of this Service to handle the claim itself, we can only look at a complaint. She thought NFU's response to the complaint raised was a reasonable one. And that Miss C and Mr O needed to accept the claim settlement before NFU would assess whether any interest is due.

In relation to NFU giving incorrect information about our Service, our Investigator said its offer of £400 for giving the impression it had was fair and reasonable as it hadn't managed Miss C and Mr O's expectations properly.

Miss C and Mr O asked for an Ombudsman to consider the complaint. They felt that the issue of interest needed to be confirmed before they could decide whether to accept the claim amount in full and final settlement of the claim. So as the matter hasn't been resolved, it has come to me to decide.

## **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.

As this is an informal service, I'm not going to respond to every point made, or piece of evidence referred to by both parties. Instead, I've focussed on what I think is key to the outcome of the complaint.

Miss C and Mr O say NFU should add interest onto payments they consider it has made late. Given the amount of time that has lapsed on the claim, NFU's position is that it will offer £170,000 (which it considers is the policy limit, index linked) to settle the claim *or* it will carry out a full validation of the claim in its entirety, which Miss C and Mr O estimate is in excess of £400,000. I don't know if £170,000 reflects the full costings of the claim, but as NFU has also offered to carry out a full claim validation, if that amount isn't accepted, then I consider that to be a reasonable offer for NFU to make.

I understand Miss C and Mr O want it to be decided that interest will be paid on amounts they've set out, but like our Investigator, I consider that interest is usually only applicable on quantified costs. And NFU's offer to pay £170,000 isn't based on quantified costs, it is an offer to resolve the claim without further validation. As Miss C and Mr O haven't yet decided whether to accept NFU's offer or not, then the application of interest hasn't been considered. However, NFU has told this Service that it will consider interest payments for any amounts when the claim has been settled.

Miss C and Mr O have said they don't trust that NFU will consider any interest on amounts they feel should have been paid earlier. I hope that this final decision gives them reassurance that interest will be considered once the claim settlement is agreed. But as I'm satisfied that its offer, to settle for £170,000 or complete validation, set out in its final response, was fair and reasonable, I won't be making an award regarding consideration of interest in this decision.

NFU accepts it may have given Miss C and Mr O misleading advice about the use of our Service and any time limits that might apply. It has offered £400 compensation for the loss of expectations in this respect. I consider that to be a fair and reasonable amount in the circumstances of the complaint to recognise the disappointment caused in realising the information was incorrect. So I'm not going to make NFU provide an additional award.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C and Mr O to accept or reject my decision before 22 October 2024.

Michelle Henderson  
**Ombudsman**