

The complaint

Mr and Mrs L complained that esure Insurance Limited (“esure”) and its representatives took too long to progress and settle their home insurance claim due to poor service.

What happened

Mr and Mrs L made a claim when a leak in their home caused significant damage. esure appointed a representative to manage the claim, but Mr and Mrs L were unhappy with the progress that was made.

The representative arranged for flooring to be removed from the conservatory and for professional drying equipment to be used. But, three months after the claim was made, further leaking water was identified under the kitchen floor. The representative had all the kitchen flooring removed, apart from a small area around the cooking facilities.

Mr and Mrs L were unhappy as they chased esure several times to seek an understanding of what scope of works its representative had set out for the repairs. After many months of chasing, they finally received a scope of works some eight months after the claim was made.

Mr and Mrs L didn’t accept the scope of works and found the representative rude and unhelpful. esure decided to appoint a second representative, who worked through the claim and put forward their view on the scope of works (now 10 months after the claim was made).

To move forward, Mr and Mrs L reluctantly accepted the settlement, although they felt it wasn’t enough money for the work that needed to take place. They didn’t think the representative had appreciated that replacing the whole floor would cause damage to most of the kitchen units, so meaning that Mr and Mrs L would need to pay for the supply and fit of new ones.

Mr and Mrs L said they made a further complaint to esure but never received a response. They chased for a response for several months. esure did pay Mr and Mrs L £350 compensation, around four months into the claim for the trouble and upset caused by the first representative.

Our investigator decided to uphold the complaint. He thought there was plenty of evidence demonstrating poor management of the claim over a long period of time, so he awarded a further £300 compensation for distress and inconvenience. Neither Mr and Mrs L nor esure accepted our investigator’s view, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 25 July 2024. I said:

“esure think that the £350 it paid four months into the complaint is sufficient compensation for the distress and inconvenience caused to Mr and Mrs L. I don’t agree, so I intend to uphold this complaint. I’ll explain why.

There is a lot of detail to this claim as it has been going on for a long time. However, it is the

length of time it has been ongoing that is the most persuasive element of this complaint. It took esure 10 months or so to finally provide a settlement for Mr and Mrs L. Bearing in mind, Mr and Mrs L then had to secure their own tradesman, the claim has taken over 12 months to resolve. I think this is far too long for the extent of damage that has been evidenced.

The representatives esure appointed didn't manage the claim effectively. They acted slow throughout, didn't act professionally and failed to properly assess the defects in the property first time round. So much so, that esure took the decision to change its representative managing the claim to make some positive progress. This caused stress and inconvenience for Mr and Mrs L, but due to some vulnerability at the time, the impact on some members of the family was far greater.

I can see the performance of the claim handling was poor. I've reviewed the notes of the claim. I can see Mr and Mrs L asked for assistance several times but were left confused. The following is an example of them asking for assistance: "I'm wondering if you are able to tell us the next stages of our claim please as we are completely unaware of the process. X are coming to remove the kitchen flooring and wall tiling on Wednesday 7th June and advised the kitchen needs to come out to do this. What happens after this please? We have had no flooring in the conservatory since October and only a concrete floor. The rugs are all stained because of this. Please can you keep us informed of the process".

esure (and their representatives) should be experts in claims management, so I'd expect them to guide Mr and Mrs L through the process. It's obvious this didn't happen, and Mr and Mrs L were let down.

esure said that alternative accommodation wasn't required as it was only the kitchen area that was impacted by the leak. It did say that it paid Mr and Mrs L £1,120 for disturbance for the four weeks when works were carried out. I haven't seen any evidence to suggest the kitchen couldn't be used outside of this period. So, I think esure has been fair in not offering alternative accommodation.

However, if Mr and Mrs L couldn't cook their own food during the works, they are likely to have needed to eat out several times. I think it's unlikely the disturbance payment would cover these costs. Therefore, I think if Mr and Mrs L can provide evidence of money they've spent on eating out during the time the works were carried out, then I think esure should reimburse these amounts. So, I intend esure to reimburse this expenditure if receipts or bank statements can demonstrate these costs.

Mr and Mrs L said the settlement they received wouldn't cover the full cost of the works. I asked them further about this. Whilst I can see they questioned several parts of the settlement with esure, Mr and Mrs L said they never raised a complaint in relation to the settlement. They've also not been able to provide me with any further evidence to substantiate their claim. Our service is an evidence-based service. I can only make my decisions based upon the evidence I have seen. I also don't have jurisdiction to consider issues until they have formally been raised with esure first. So, it's not possible for me to make any decision on this point at the current time.

However, Mr and Mrs L still have opportunity to specifically raise this issue with esure and ask it to consider whether the settlement was sufficient. I'm sure if esure are asked, that it will further consider this point provided Mr and Mrs L are able to furnish it with the relevant evidence to consider. If Mr and Mrs L are still unhappy after esure have had the opportunity to consider this further point, then they will still have the rights to refer the new complaint to our service.

I appreciate Mr and Mrs L do not feel they have the full details of the settlement. esure have

shared the headline amounts to me that were settled (Buildings £6,211, Contents £4,048, Disturbance £1,120). If Mr and Mrs L can demonstrate to esure the settlement was insufficient in any of these areas (through photographs and receipts), then I'd expect esure to re-consider its settlement offer. For the avoidance of doubt, as esure didn't offer to do the work themselves, the settlement should reflect the market rate to Mr and Mrs L for getting this work done, rather than the lower commercial rate esure would've incurred had it organised the work itself through its preferred contractor network.

esure are required to be given the opportunity to consider this information relating to an unfair settlement before I would be able to find against it. This would include Mr and Mrs L's claim that the whole kitchen had to be replaced due to the damage, rather than just part of it. Therefore, should Mr and Mrs L provide this evidence to esure then I intend it reconsiders the settlement offer in line with the terms and conditions of the policy.

However, I do intend to uphold the complaint as the claim took too long to progress. It's taken around 12 months. I think the impact was significant.

Mr and Mrs L said "the pictures that we have included should hopefully show the conditions we were living in. The food cupboards were in the conservatory. We had to set up an area to try and make food on a dining table. The floor was concrete in the conservatory and was like this for a year. There was constant dust everywhere, every day. This impacted the health of [of one of the family members]. We do appreciate that during any work there will be some upheaval. The length of time the house was sub-standard led to both mental and physical complications. We were unable to sufficiently heat a large area of the downstairs of the house during a cold winter and this affected everyone in the household. Large areas of the kitchen had to be relocated. We had a fridge in the living/dining area and most of the food and utensils in boxes".

I think Mr and Mrs L have provided a good description of the difficulties they faced and the vulnerabilities it caused. Given the longstanding nature of these difficulties, I'm going to award a further £900 in compensation for the distress and inconvenience caused (in addition to the £350 that has already been paid".

Responses to my provisional decision

Mr and Mrs L didn't specifically say they accepted my decision, but their response didn't suggest the compensation I awarded caused them concern. However, Mr and Mrs L did question the headline settlement amounts provided by esure as they couldn't fully reconcile these (*Buildings £6,211, Contents £4,048, Disturbance £1,120*). Mr and Mrs L explained the timeline when the works were carried out and asked for clarification whether any receipted food and drink expenditure would be covered for this period.

esure clarified the contents settlement (£4,048) as including:

- £1,294.63 settlement to esure's contractor for repair solutions for contents restoration
- £461.95 second settlement to esure's contractor for contents restoration that was undertaken
- £129.00 to insured for damaged rug (1 of 2)
- £264.00 to insured for large rug settlement (2 of 2)
- £1,898.00 sofa replacement

Esure didn't comment whether it accepted or rejected my provisional decision. esure provided some comments from its contractor that it had provided in response to questions it asked them. The answers were vague, just confirming no records were held in respect to certain points. Esure hasn't provided any further context to these points.

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 neither party has provided any new information with context, I see no reason to change my provisional decision.

esure have clarified the settlement for the contents – this related to money paid to its contractor for carrying out work on the claim. So, Mr and Mrs L wouldn't have seen this money themselves.

Mr and Mrs L asked for clarification for when they could claim for reimbursed food and drinks costs. In my decision, I've been clear this covers the period when "works" were taking place. To be clear, this would include any period of works carried out by esure or its contractors or any works carried out by Mr and Mrs L's own contractors to rectify the damage caused by the leak.

My final decision

My final decision is that I uphold this complaint. I require esure Insurance Limited need to:

- Pay Mr and Mrs L £900 compensation – for distress and inconvenience (in addition to the £350 already paid)
- Reimburse any expenditure on food and drink that can be evidenced by Mr and Mrs L for the period the works were undertaken
- Re-consider the fairness of the settlement, should Mr and Mrs L provide sufficient evidence or bring a new complaint forward that specifically highlights deficiencies in it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 2 October 2024.

Pete Averill
Ombudsman