

## The complaint

Miss F complains about the way QIC Europe Ltd has handled an escape of water claim she made on a home insurance policy.

All references to QIC include the actions of the agents acting on its behalf.

## What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I consider to be the key events.

In February 2023, Miss F suffered an escape of water at her property. So she made a claim on her policy. QIC accepted the claim and dryers were installed at Miss F's home.

Following the acceptance of the claim, QIC inspected Miss F's property to produce a scope of works (SOW). It also gave Miss F the option of accepting a cash settlement or using its own contractor to carry out the works.

Miss F felt the SOW had missed out key repair works which needed to be completed. So after some months of communication between the parties, QIC asked a senior surveyor to attend the property. It seems a SOW was largely agreed in mid-July 2023, although works didn't begin until mid-September 2023.

In the meantime, while most of Miss F's claim for her damaged contents had been settled, a claim for her sofa remained outstanding. QIC appeared to believe that the sofa could be repaired and it appointed two specialists to inspect it. However, I haven't seen a copy of the first contractor's report and the second report, dated 4 September 2023, stated that the damage couldn't be repaired. It appears QIC ultimately agreed to cash-settle the sofa on a like-for-like basis in December 2023.

Miss F was unhappy with the building works that had been carried out. She raised concerns about the works completed by QIC's preferred contractors. QIC accepted that there were snagging issues and agreed that these would need to be rectified. Miss F was also unhappy because she said that while the SOW had originally been under discussion, matching kitchen doors, drawers and plinths had been available at her original kitchen supplier. However, while the claim was ongoing, the supplier confirmed that these items were no longer available. QIC offered to pay Miss F 50% of the cost of replacing the undamaged items in her kitchen to ensure a full match.

QIC responded to some of Miss F's concerns in final response letters it issued to Miss F in July and September 2023. Miss F complained again in October 2023 about the snagging issues she'd experienced. QIC provided a brief final response in November 2023.

Remaining unhappy with QIC's position, Miss F asked us to look into her complaint. I've summarised her concerns for ease of reading:

- Miss F was unhappy with the actions of QIC's contractors;

- She was unhappy with the delays in sharing the SOW and that items had consistently been missed from the SOW, which she'd had to chase-up;
- She didn't think the cash settlement offer had been sufficient;
- She was unhappy with delays in QIC responding to her and providing updates;
- She considered that due to QIC's delays, she'd been left without a matching kitchen;
- She was unhappy that QIC had concluded the sofa could be mended;
- She felt she should have been placed in alternative accommodation (AA);
- She hadn't been told until late in the claim that she could claim for metered water and increased gas usage;
- She'd had to stay with family members, one of whom was very ill. Miss F said the whole situation had affected her own mental health;
- She didn't think QIC had fairly responded to her concerns about the snagging issues which had been identified.

Our investigator thought Miss F's complaint should be upheld. She told Miss F we could consider any complaint points she'd made up until November 2023. In the round, she concluded that QIC had made a number of errors which had caused Miss F a great deal of trouble and upset over a prolonged period of time. So she recommended that it should pay Miss F £1000 compensation. She also recommended that it should pay to replace all of Miss F's kitchen doors, plinths and drawers to ensure they all matched. And she considered QIC should pay interest on the settlement for the sofa, given she thought it had been clear for some months that the sofa couldn't be repaired.

QIC disagreed with our investigator's findings. It thought she had commented on some issues which Miss F hadn't complained specifically to it about. It said that the winter freeze of 2022 had caused delays to the handling of property claims. And that this had also impacted on the ability of contractors to carry out repairs. It stated that the SOW was a moving document which was subject to change as works were identified during the life of the claim. It said it had responded to Miss F's concerns about the snagging issues and that it would ensure these were put right. And it told us that it had sourced a colour match for Miss F's kitchen items, which Miss F had accepted and which had been installed. It did offer to pay Miss F total compensation of £500 for its mistakes.

I issued a provisional decision on 13 August 2024 which explained the reasons why I didn't think QIC had handled Miss F's claim fairly and how I intended to tell QIC to put things right. I said:

*'I'd like to reassure both Miss F and QIC that whilst I've summarised the background to this complaint, I've carefully considered all they've said and sent us. In this decision though, I haven't commented on each point that's been raised and nor do our rules require me to. Instead, I've focused on what I consider to be the key issues.*

*First, I must make the parameters of this decision clear. I appreciate QIC has concerns that our investigator addressed complaint points Miss F hadn't specifically made to it. I've thought about this carefully. However, it's clear to me that at its heart, this is a complaint about the way QIC handled Miss F's claim and that she complained to QIC about its claim handling at various points up until November 2023. Taking into account my inquisitorial remit, I think it's fair and reasonable for me to consider Miss F's complaints about the handling of her claim as a whole.*

*With that said, it appears that QIC issued its last final response letter to Miss F in November 2023. So, like our investigator, I don't think it would be appropriate for me to comment on any new complaint points which have arisen since that date within this decision. Miss F has indicated that she intends to pursue a new complaint about QIC's actions since that date*

*directly with it before potentially bringing a new complaint to us.*

*The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they must give policyholders reasonable guidance to help them make a claim. I've taken those rules into account, along with other relevant considerations, such as industry principles and the available evidence, to decide whether I think QIC handled Miss F's claim fairly.*

*It seems to me that QIC accepts it didn't handle this claim as well as it should have done. That's because it's now offered Miss F £500 compensation. While, as I've said, I won't comment on each point specifically, I've grouped Miss F's complaint points into broad headings, to help me decide whether I think QIC's offer is fair.*

#### *Claim delays and communication*

*I can see that once Miss F notified QIC about the claim, it swiftly appointed contractors who installed dryers. However, delays appear to have arisen when the SOW was being drafted. I appreciate a SOW can inevitably change over time, as new works can be found during the life of the claim. But in this case, the delays in agreeing the SOW spanned from March until July 2023. It seems Miss F regularly had to chase-up missing items and ask for copies of the updated SOW to be sent to her. And even after QIC's in-house surveyor became involved in scoping out the necessary works, it appears details of their amendments weren't passed on to the contractor. In my view, the completion and sharing of the SOW simply took far too long. Given the nature of the damage to Miss F's home, I can entirely understand why this would have been upsetting for her.*

*It's also clear from the claims notes that at times, Miss F asked QIC for information and updates and didn't receive responses in a timely way. And the claims notes indicate that Miss F was asked to provide information she'd already sent in multiple times. I don't doubt this added to Miss F's frustration at an already difficult time.*

*And it appears that even though the SOW was ultimately approved in July 2023, works didn't begin until September 2023 – around six weeks later. I'm not satisfied that QIC has provided an adequate explanation for this further delay in moving Miss F's claim along.*

#### *The sofa claim*

*It seems that broadly, QIC settled much of Miss F's contents claim reasonably promptly. However, there was an ongoing dispute about Miss F's sofa. The supplier confirmed that Miss F's particular sofa had been discontinued. Initially, QIC considered the sofa may be repairable and appointed a contractor to assess whether this was possible. It then went on to offer a cash settlement for a three-seater sofa – which wasn't the same as Miss F's. When Miss F queried this, it opted again to appoint a specialist to assess whether the sofa could be repaired.*

*In brief, after inspection in early September 2023, the specialist concluded that although some seat damage could be repaired or retouched, overall, it couldn't repair the sofa because it couldn't match the sofa legs. As such then, I think QIC was aware in early September 2023 that the sofa realistically couldn't be repaired and it should have offered like for like replacement at that point. Instead, it seems it made a further, substantially lower cash settlement offer for the sofa before ultimately agreeing to pay for a like-for-like sofa in December 2023. In my view, this additional delay was unnecessary, unreasonable and caused Miss F additional stress and frustration.*

#### *Snagging issues*

*QIC accepts that there were substantial snagging issues with its contractors' work. Miss F first raised issues in late September 2023. I accept that QIC issued a final response which briefly stated that it would ensure things were put right. But given the length of time Miss F's claim had already been ongoing and given the nature of the snagging issues she identified (including paint splashes, chipped flooring and wrongly cut woodwork); I don't think QIC's actions suggested to Miss F that it was taking her concerns seriously. And given the claims journey Miss F had already had and the delays she'd already experienced, I think the snagging issues are likely to have caused her significant, additional trouble and upset.*

*As QIC is aware, it's responsible for ensuring that Miss F's home is restored to its pre-loss condition. Therefore, it's responsible for ensuring that the snagging issues are suitably put right. At the time of the November 2023 final response, it seems Miss F had met with the contractor and QIC's surveyor to discuss the list of snagging issues and what steps would need to be taken next. From what Miss F has told us, some of these issues still haven't been put right and she remains unhappy with the standard of work. It's open to Miss F to complain to QIC about any of those issues which post-date its final response letter of 6 November 2023. I would remind QIC of its regulatory obligations when dealing with Miss F's claim and with any new complaint she may make.*

*Should QIC have paid AA?*

*The policy does provide cover for AA. However, generally, an insurer will offer AA if a policyholder is left without adequate cooking facilities, if their heating isn't working during a colder time of year or if they have no water. This doesn't seem to have been the case here, as Miss F does appear to have had access to cooking facilities and running water. So I don't think it was unreasonable for QIC not to have offered her AA at this point.*

*Notwithstanding that though, I think QIC ought to have explained why AA wasn't due when Miss F asked about it. And it also didn't explain the option for her to claim for the loss of metered water or additional gas until several months into the claim. In my view, as the expert in the situation, QIC was in a position to explain policy cover at the outset and manage both Miss F's expectations and allow her to claim for covered costs under the policy.*

*Miss F also mentioned that QIC's contractor left her without heating or hot water between 30 November and 21 December 2023. This issue post-dates QIC's November 2023 final response letter and so I can't make a specific finding on it here. I would expect QIC to consider though whether it ought to have offered Miss F AA at this point, based on her circumstances at that time should this form part of any new complaint Miss F may make.*

*The kitchen*

*It's clear that in late September 2023, Miss F was told that her kitchen supplier could no longer provide colour matches for her plinths, doors and drawers. Miss F says this hadn't been the case in April 2023, when QIC's contractor first spoke to the supplier. So she feels the delay in the SOW being completed and works beginning caused the kitchen items to no longer be available.*

*I've thought about this carefully. It's possible that if the works had begun sooner, the kitchen furniture would still have been available. And that therefore, QIC's delays were responsible for the supplier's lack of availability to colour-match. I agree that Miss F's property shouldn't be in a worse position because of any failing on the part of QIC.*

*However, since the investigator assessed this complaint, QIC told us that it had been able to source a colour match, which Miss F had accepted. The kitchen items have since been installed in Miss F's kitchen. Miss F sent us a picture of the plinths in question and says*

*there is a difference in colour. But she also told us that 'she was happy with it', as she'd made several attempts to source a colour match.*

*In my view, the pictures Miss F sent us don't show a loss of colour match. The plinths and cupboards appear to be the same shade and colour. And, as I've said, it appears Miss F had accepted QIC's resolution on this point. In these circumstances, I'm not persuaded it would be fair or reasonable for me to direct QIC to pay for a full replacement of Miss F's kitchen doors, plinths and drawers. That's because I find it's reinstated her kitchen in line with the policy terms.*

#### *The initial cash settlement offer*

*QIC originally made Miss F a cash settlement offer which was significantly lower than its actual outlay to date. This may be because new issues were identified while the SOW was being drawn up and because items weren't correctly priced. I don't think there's enough evidence to show QIC deliberately tried to pay Miss F a lower settlement than she was strictly entitled to. But, given the evidence, I don't think the cash settlement would have been enough for Miss F to have had all of the covered reinstatement works done. Ultimately though, I don't think this caused Miss F a financial loss, as she opted for QIC's contractor to carry out the works.*

#### *Conclusion*

*I've outlined above that I do think QIC made a number of errors during the life of the claim up until it issued its final response letter in November 2023. I think that these caused Miss F material, unnecessary trouble and upset in addition to the inevitable stress of making a home insurance claim. Miss F has told us that she had to move in with family, one of whom was very unwell and she's also pointed to the impact of the claim handling on her mental health.*

*In my view, much of Miss F's distress and inconvenience could have been mitigated had QIC handled her claim in a timely way; responded to her concerns in a way that showed she'd been listened to and if its contractors hadn't left her home with so many snagging issues outstanding. I also think the sofa claim could have been settled far sooner than it was, with far less impact on Miss F.*

#### *Putting things right*

*So I've considered what fair compensation should be in the particular circumstances of this complaint. Given the prolonged impact of QIC's claim handling on Miss F over around a 10 month period, I currently think it would be fair and reasonable for QIC to pay Miss F £1000 compensation to reflect the trouble and upset it caused her. And so I intend to direct QIC to pay Miss F £1000.*

*And, as I've explained, I also currently plan to direct QIC to add interest to the sofa settlement at an annual rate of 8% simple from the date it received the sofa specialist's report until the date it settled this part of the claim.\*'*

I asked both parties to send me any further evidence or comments they wanted me to consider.

Miss F said she had nothing to add to this particular complaint.

QIC said it accepted my provisional findings.

### **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, as Miss F had nothing more to add and as QIC accepted my provisional findings, I see no reason to change them.

So my final decision is the same as my provisional decision and for the same reasons.

### **Putting things right**

As I've set out above, in my view, fair compensation in the circumstances of this complaint is for QIC to pay Miss F an award of £1000 to reflect the trouble and upset its handling of the claim caused her. And so I now direct it to pay Miss F £1000.

I also direct QIC to add interest to the sofa settlement at an annual rate of 8% simple from the date it received the sofa specialist's report until the date it settled this part of the claim.\*'

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that I partly uphold this complaint.

I direct QIC Europe Ltd to put things right as I've outlined above.

\*If QIC considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell how Miss F much it's taken off. It should also give Miss F a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 9 October 2024.

Lisa Barham  
**Ombudsman**