

The complaint

Mr F is unhappy with the service provided by Covea Insurance plc (Covea) following a claim made on his home insurance policy.

Mrs F and Mr F are both parties to this complaint. Mr F has primarily dealt with this service. For ease of reference I have referred to Mr F throughout this final decision.

Covea is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Covea has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Covea includes the actions of any third party instructed by Covea during the course of Mr F's claim.

What happened

In December 2020 Mr F contacted Covea to make a claim. The claim notes recorded '*about 2.5 ft water in ground floor*'. Mr F wasn't residing at the risk address at the time of the incident. The case notes show Mr F had purchased the risk address around six weeks before the incident happened.

Mr F's claim was passed to company S to manage on behalf of Covea. The events following Mr F's claim are well known to both Mr F and Covea, so I haven't repeated them here. Mr F complained about the service provided by Covea - mainly relating to the poor management of his claim, and costs that Covea said wouldn't be covered as they were not incident related. Unhappy with Covea's response, Mr F brought his complaint to this service.

The investigator considered the evidence and said Covea must do more to put things right. Mr F mostly agreed with the investigator's findings. But also highlighted other areas he felt the investigator hadn't upheld which Covea should pay for. Covea didn't agree with the investigator's findings asking it to pay more than what it already had. As the complaint couldn't be resolved it has been passed to me for decision. As the complaint couldn't be resolved, it has been passed to me for decision.

I issued a provisional decision on Mr F's complaint. This is what I said about what I'd 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Alternative accommodation

Covea say Mr F's claim for alternative accommodation isn't reasonable on the basis that he was undertaking substantial home improvement work at the same time that insured work was taking place.

Mr F wasn't residing at the risk address at the time of the incident. At the time of the incident, Mr F was residing at another address. He continued to stay at this address throughout the period remediation work was being carried out at the risk address. Mr F says there was an extensive period where the risk address wasn't habitable because of insured work taking place, and so he should be compensated for the time he wasn't able to live at the risk address whilst this was happening.

I've carefully considered the evidence. But I don't think Covea has properly answered Mr F's claim for alternative accommodation. It's not disputed that uninsured work was being carried out at the risk address at the same time that insured work was agreed by Covea. But based on the evidence, I can't say Covea has been presented with Mr F's evidence supporting how long Mr F's home was uninhabitable for, and whether this included any period where only uninsured work was being carried out. I note that at the time of issuing its final response letter to Mr F, and before Mr F brought his complaint to this service, Covea had only been provided with notice of Mr F's complaint about Mr F's son's claim for alternative accommodation.

I'm mindful that it's not the role of this service to act as claims mediators. Mr F has provided a compelling testimony about the parts of his home that remained uninhabitable whilst insured work was being carried. But I don't think Covea has had the opportunity to properly consider this part of Mr F's claim.

In the circumstances, I think it would be fair to ask Covea to consider Mr F's claim for alternative accommodation in line with the policy terms. Covea should do so whilst keeping in mind the policy terms, what Mr F has explained about the period that his home was uninhabitable, and Mr F's decision to carry out uninsured work at the same time. Should any dispute arise about Covea's decision on Mr F's alternative accommodation claim, this would be the subject of a new complaint that would need to be dealt with in line with Covea's complaints process.

Ground floor slab work

A surveyor, hereafter referred to as M, was appointed to support with providing an impartial and independent opinion on aspects of Mr F's claim. I've seen that M informed Covea on 5 October 2021:

I've received this email and attachment from Mr F concerning the ground floor slab works. Page one represents the works in my opinion covered by the insurance claim and page two represents the betterment works to bring the slab up to current standards that I deem inadmissible to the claim.

It is expensive but I do know from visiting the site recently that it's impractical to get a mini excavator in the ground floor area because of the very low headroom so hand excavation is the only option and this is the prime reason for putting the cost to the level that it is. You'll see that Mr F is seeking approval to proceed with these works and I can see no reason why he shouldn't proceed.

I'll email him to this effect tomorrow unless I hear from you to the contrary.

On 8 October 2021 M informed Mr F 'I see no reason for you not to proceed with these works for page one of the quotation as this aspect forms part of the insurance claim. The works on page 2 being disallowed in respect of the insurance works.'

I'm satisfied M acted with integrity and diligence in reviewing Mr F's proposal of work for the ground floor slabs, and providing both Mr F and Covea with a professional opinion on the work to be included. M's opinion was informed by a site visit to inspect the work being proposed, and the comments of the builder instructed to carry out this work.

Covea had reasonable opportunity to challenge M's opinion. But I can't see that it did. Mr F was also provided with an update on the scope of work that M considered would, and would not, be covered by his policy. Having considered the evidence I'm minded to ask Covea to settle this part of Mr F's claim in line with M's direction as detailed in the email.

Pointing

Covea say 'we have included a contribution towards the pointing of the walls despite this not being necessary given that the pointing was to be covered by plasterboard and therefore not required.' Mr F says 'It was agreed to allow for pointing the exposed stonework as part of the scope of work. Removing the plaster necessitated repointing the brickwork for structural reasons. It is illogical that the loss adjuster only paid for a small portion of this work, as all the walls required repointing.'

The cost of the pointing being requested by Mr F is work that was completed at the time without any additional consent from Covea. This was done on the basis that the original scope of work included pointing, however Covea say this did not extend to areas that were to be covered by plasterboard.

I've considered the claim history, and specifically how it has been managed. It's not disputed that much of the claim has been managed by Mr F himself. Mr F says Covea's appointed loss adjuster attended only on two occasions to complete a site visit and understand the extent and complexity of the work being carried out.

It's generally accepted that work needs to be authorised by an insurer before being carried out. And I accept that Mr F proceeded with the pointing on areas that he considered needed doing, based on his own understanding, and that of his builders at the time. Mr F was also having extensive home improvements completed at the same time. And for consistency, it's reasonable that pointing was included, even for areas that were to be covered by plasterboard.

All things considered, I'm minded to ask Covea to make a 50% contribution towards the disputed pointing costs. This recognises the work that was carried out outside of the agreed scope according to Covea, but also that Mr F was forced to make a decision about how to continue with the claim because of the complexities involved, and lack of proactive management from Covea in the handling the claim. I accept that both Covea and Mr F will be disappointed by these findings. But when evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances.

Given the time that has passed, and lack of evidence supporting Covea's or Mr F's position I think it's fair to ask Covea to cover 50% of the disputed pointing costs. This recognises Mr F's decision making on the claim based on Covea's lack of proper management of the claim. It also recognises Covea's position regarding the disputed pointing work being covered by plasterboard, and Mr F's own home improvement work that was being undertaken at the time.

Conservatory doors and windows

The investigator recommended Covea cover the cost of replacement conservatory doors and windows on a like for like basis. Covea say 'The initial quotation provided for the refurbishment of the doors and windows was agreed. Our adjuster believes that had the refurbishment works been undertaken in a timely manner then the doors would have been salvageable and economically repaired in accordance with the original quotation...'

I've considered Covea's comments. But I'm minded to agree with the investigator's findings for the same reasons. The view already explained at length the timings on the claim, and the independent contractors that provided a professional opinion on the damage. I recognise what Covea has said about the opinion of the loss adjuster. But I think the timeline of events, and damage noted by different experts on the claim also provides compelling evidence in support of Covea covering the damage as part of Mr F's claim.

In the case of flood damage, it's not unusual to find damage that wasn't immediately visible on first inspection. And damage can become more noticeable and impactful over time. I'm persuaded Mr F took reasonable steps to notify Covea of damage to the doors and windows as it became more apparent. He also requested inspections from different experts and obtained quotes for repair in line with what we'd expect. All things considered it's reasonable for Covea to cover this cost in line with Mr F's policy terms. I'm minded to ask Covea to settle this part of Mr F's claim in line with the investigator's recommendation.

Increased costs

The investigator's findings detail at length the reasons why Covea should cover the increased costs in labour and materials. I'm minded to agree. Covea say 'the accepted costs were provided in a tender and included the use of multiple trades and suppliers. However our customer then chose an alternative contractor and the delays were the result of the ongoing private works being carried out alongside the insurance works.'

It's not disputed that Mr F's claim was complex and extensive. It's not unusual for the scope of a claim, and agreed decisions, to change and evolve as claim remediation work begins. I recognise that Mr F was undertaking extensive home improvement work at the same time that repairs were being carried out under the terms of his insurance. However I'm persuaded that it was necessary for Mr F to make decisions about the claim which meant that the claim didn't proceed in the way that had been originally agreed.

I've considered what Mr F ought to have done differently under the circumstances. But whilst it is accepted that Mr F's own home improvement work added to the complexity of the project, I'm not persuaded this was the primary reason for the claim being handled differently to what had been agreed.

One of the reasons for the claim being complicated was the use of multiple trades and suppliers. But this was something Mr F says he was asked to do. It seems likely this was in an attempt to keep costs down, but as a result Mr F was left managing a complex project with very little support from Covea. Despite this, Mr F continued to follow Covea's direction for obtaining the quotes needed for repairs to continue. Covea refers to the use of multiple trades and suppliers as the reason for costs increasing, but I can't see that it provided Mr F with any other option at the time.

I've seen that Mr F did raise the issue of delays on his claim, and the impact on costs- especially given the timing of the work as it was being done post-pandemic. Around this time, it's accepted that the cost of labour and materials was impacted because of supply and demand issues. As a result, the cost of repairs for a schedule of work completed only months apart looked very different. Looking at the timeline of events, I'm persuaded the early delays on the claim were caused by Covea's lack of management of the claim, and essential

work like stripping and drying being delayed. Because of this, by the time decisions were made on more substantial repairs, the price of labour and materials had increased.

Having considered the claim events, I don't think it's fair for Mr F to be penalised for carrying out the instructions given by Covea on how to manage his claim. It's not disputed that the price of labour and materials increased during the course of Mr F's claim, and whilst repairs were being undertaken. I recognise that Mr F was undertaking home improvement work. But this was being done alongside the agreed insured work. And when asked to provide quotes, or updates about insured work, Mr F was prompt and forthcoming with Covea. The fact that the insured work costs more to complete than what Covea had initially thought, isn't something which Mr F is responsible for. He followed the instructions given to him by Covea and did what was expected of him under exceptionally stressful circumstances.

All things considered I think a fair and reasonable outcome is for Covea to pay the increased costs for the insured work completed in line with the invoices sent by Mr F. I'm minded to ask Covea to do this as part of my direction for putting things right.

Trouble and upset compensation

The investigator recommended Covea pay Mr F £1,500 in compensation for the impact on Mr F as a result of the poor handling of his claim. Covea didn't respond to this part of the investigator's findings. Having considered the claim, I'm persuaded £1,500 is a fair and reasonable amount, and in line with what this service would direct in the circumstances. This amount recognises the time and effort given by Mr F in managing a very complex claim alongside his own home improvement work. I've seen that Mr F often had to chase matters with Covea. Despite the scale and complexity of the claim, Covea's own appointed loss adjuster had very little oversight over the claim and didn't make timely decisions when needed.

Because of this, the claim suffered from delay and poor management. This in turn caused Mr F stress and inconvenience as he had to take on additional responsibilities to help ensure progression of his claim. As the business responsible for managing Mr F's claim, Covea should have done more to support Mr F, and stayed engaged with the claim. I can't see that it did this. I think it's fair therefore for it to pay compensation in recognition of the impact on Mr F and the upset caused to him over several months.

Putting things right

For the reasons set out above, I intend to uphold this complaint. I intend asking Covea Insurance Limited to settle the complaint as follows:

- 1. Pay Mr F £1,500;*
- 2. Review Mr F's claim for alternative accommodation in line with the policy terms and conditions;*
- 3. Pay Mr F's claim for the ground floor slab work in line with M's direction as detailed in the email of 5 October 2021;*
- 4. Pay 50% of the costs of the disputed pointing work;*
- 5. Pay the costs for the conservatory doors and windows;*
- 6. Pay the costs for increased materials and labour;*
- 7. For directions 3- 6 above, Covea must pay interest on the difference between the amount paid by Mr F, and the actual cost. The interest should be calculated from the*

*date Mr F made payment (subject to Mr F providing evidence of this), to the date of payment. The rate of interest is 8% simple interest per year**

**If Covea Insurance plc considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it has taken off. It should also give Mr F a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

My provisional decision

I am minded asking Covea Insurance plc to settle Mr F's complaint as detailed above.

The responses to my provisional decision

I invited both Mr F and Covea to respond to my provisional decision.

Mr F explained '*I am disappointed that you have valued the pointing at 50% but in other areas I think you have been fair*'. Covea provided evidence for consideration.

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.

Mr F says he feels disappointed with the provisional findings directing Covea to pay '*50% of the costs for the pointing work*'. I've carefully considered Mr F's comments. And I recognise his disappointment with what Covea has been asked to do. Based on the available evidence I consider my direction for putting things right to be a fair outcome, for the reasons already explained in my provisional decision. So I'll be directing Covea to carry out these actions.

Covea has provided two forwarded emails in response to the provisional decision and has advised '*Please find attached two email trails relating to a discussion over this claim. We have no additional evidence to submit other than this.*'

I've seen that this evidence has previously been provided in support of Covea's position on the complaint, and was considered at the time of the provisional decision being issued. As the provisional decision has already considered this evidence, I don't think these comments materially change the outcome of Mr F's complaint, or my direction for putting things right. So I'll be directing Covea to put things right as set out in my provisional decision.

Putting things right

For the reasons set out above, I uphold this complaint. Covea Insurance plc is directed to settle the complaint as follows:

1. Pay Mr F £1,500;
2. Review Mr F's claim for alternative accommodation in line with the policy terms and conditions;
3. Pay Mr F's claim for the ground floor slab work in line with M's direction as detailed in the email of 5 October 2021;
4. Pay 50% of the costs of the disputed pointing work;
5. Pay the costs for the conservatory doors and windows;

6. Pay the costs for increased materials and labour;
7. For directions 3- 6 above, Covea must pay interest on the difference between the amount paid by Mr F, and the actual cost. The interest should be calculated from the date Mr F made payment (subject to Mr F providing evidence of this), to the date of payment. The rate of interest is 8% simple interest per year*

*If Covea Insurance plc considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it has taken off. It should also give Mr F a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons provided I uphold this complaint.

Covea Insurance plc must follow my directions for putting things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 11 October 2024.

Neeta Karelia
Ombudsman