

The complaint

Mr C complains about poor claims handling and the proposed settlement offered by Ageas Insurance Limited, following a claim he made on his home insurance policy.

References to Ageas includes the actions of its agents, for which it is also accountable.

What happened

The history of this complaint is well known to both parties, so I won't repeat all the details here. No discourtesy is intended. This is just a reflection of the informal nature of our service.

In brief summary, in March 2023, a motorist crashed into Mr C's property, causing damage both to the building itself and to Mr C's belongings. Mr C made a claim under his home insurance policy. The claim has been ongoing since, with a number of issues still in dispute.

Mr C brought his complaint to the Financial Ombudsman Service. An investigator upheld the complaint, issuing two opinions with various redress proposals. Mr C remains unhappy with the proposals made, so has asked for an ombudsman to review everything and issue a final decision. He has said he will accept £10,000 as a settlement for the contents, as long as the repairs to his house are done to a satisfactory standard.

In September 2023, having considered all the relevant information, I issued a provisional decision, setting out my thoughts and provisional conclusions. In it, I said:

I intend to uphold this complaint. A summary of my reasons is given below, focusing on the key points and evidence I consider material to my decision. So, if I've not referred to something in particular, it's not because I haven't thought about it. Rather, I don't consider it changes the outcome of the complaint.

It's inevitable that any insurance claim, perhaps particularly one affecting a person's home and belongings, causes distress and inconvenience. I'd like to acknowledge this has been an upsetting and stressful time for Mr C, who, through no fault of his own, has had to deal with months of upset and hassle whilst the claim has been ongoing.

An insurer is entitled to decide how to settle a claim, taking into account the policy terms. But it has regulatory obligations to do so promptly and fairly, and to provide reasonable guidance to help a policy holder make a claim as well as appropriate information on the claim's progress. Mr C's policy states:

You'll need to provide details of everything that's been lost, stolen or damaged, and we may ask for receipts or proof of purchase in some cases.

If we approve your claim, we'll ask you to pay the excess. We'll then repair or replace your damaged, lost or stolen items, or rebuild your property, depending on the type of claim. Alternatively, we may make you a cash offer. We'll decide which way of paying your claim is most appropriate.

If we suggest a repair, rebuild or replacement, we may offer to use one of our own partners. However, if you wish to use someone else, you're free to do so, but if this is more expensive than the rate we can get from one of our partners, we won't pay for the extra cost.

This is a complex claim, with significant volumes of information and, unfortunately, growing distrust on the part of Mr C towards Ageas and its agents. In fairness, I think Ageas has also experienced frustration in trying to move towards an acceptable settlement in a claim that is not fully documented and where Mr C has, at times, been hesitant about accepting Ageas's efforts to settle the claim, for example, voicing concerns about the various agents used and being reluctant to accept part-payment for specific items.

Specific issues and items

Contact from third party insurer

I understand Mr C was contacted directly by the third party insurer and found this concerning and upsetting. The third party insurer wanted to review the damage caused to satisfy itself the claim was valid and the costs realistic. This is not unreasonable. Mr C was reluctant to admit the third party insurer's agents and asked Ageas to deal with the insurer directly. He was also unhappy Ageas had shared his contact details.

Mr C's policy specifically refers to the sharing of personal information with other insurers. And I think it was reasonable for Ageas to do this in these circumstances, to progress the claim and recover losses. However, after Mr C complained, I'm aware Ageas did ask the insurer not to contact Mr C directly again. Unfortunately, this request wasn't heeded, although that's not something I hold Ageas responsible for. I understand Mr C's reluctance to engage with the third party agents did cause some difficulties for Ageas, but that the issue was satisfactorily resolved when Mr C allowed the agents access to review the damage. I appreciate this situation did cause some upset to Mr C, but overall I think Ageas's actions were reasonable.

Hotel accommodation

Alternative accommodation was provided by Ageas whilst Mr C's property was boarded up and work was taking place. I understand there was a particular imperative in Mr C's case, in that he worked nights and was concerned about being able to sleep at the property whilst work was ongoing. We'd generally consider it reasonable for the policy holder to return home once the new window was fitted and the home sealed to the elements. Mr C has said his home wasn't ready as he didn't have a television, carpet or fire in the house. But Mr C's kitchen, bathroom and bedroom were usable, and we wouldn't generally expect a firm to fund alternative accommodation beyond the point where a home became habitable again. In any event, Ageas has since covered the additional fortnight's cost. However, it should've told Mr C in advance that he would need to leave the hotel and return home. This oversight did cause Mr C some distress and inconvenience.

Window

I'm aware there were some issues with the installation of a replacement window. Mr C said the window fitted wasn't the same as his original. Ageas said the new window complied with building regulations. However, Mr C was able to source an exact

replacement himself and paid to have it fitted – a cost which has been reimbursed by Ageas. I acknowledge this did cause some inconvenience to Mr C.

CCTV

It appears there was some miscommunication regarding fitting CCTV for Mr C. My understanding is this centred around Ageas agreeing to do this when Mr C had bought a new TV. To the best of my knowledge Mr C has not yet replaced his TV, having not wanted to accept part-settlement from Ageas for this purpose. Nevertheless, I've seen evidence that engineers were able to fit and connect CCTV to a monitor, so the system was functional towards the end of December 2023. I think Ageas has done enough in this respect.

General claims handling

In her first view our investigator discussed the complexity of the claim and difficulties encountered in progressing matters speedily and efficiently. She identified that it would've been possible to start building works sooner than happened and made reference to some confusion and communication issues between the parties. I think it would be fair to say that this has been a problematic claim and I acknowledge that it remains presently unresolved for Mr C, nearly 18 months since his home was damaged. I think some compensation is merited in respect of these issues.

Our investigator considered £450 appropriate compensation for distress and inconvenience in relation to issues to do with the hotel accommodation, window fitting and general claims handling. Having considered things, I think this fairly reflects the fact that Ageas's errors have caused disruption and upset to Mr C over a number of weeks and months.

Fire suite

Mr C was asked to contribute £900 towards the cost of his replacement fire suite. In her initial view, our investigator said she hadn't seen evidence to demonstrate that the replacement suite Mr C chose - a grey Terrano fire suite costing £1899 – was a significant upgrade to the one he originally had. For that reason, she recommended Ageas reimburse Mr C the contribution he'd made. Ageas agreed to this in its response to that view, but clarified that the amount remaining to be reimbursed to Mr C was £578, a cheque for £322 having previously been sent to Mr C. In Ageas's email to our investigator, dated 16 November 2023, Ageas forwarded information from its agent confirming that the cheque for £322 had not been cashed. So, to the best of my knowledge, the reimbursement of the £900 payment Mr C originally made towards the fire suite remains outstanding. So I intend to direct Ageas to reimburse Mr C £900 in respect of the fire suite. If Ageas disagrees with this amount, I'll need it to provide evidence of the £322 cheque having been cashed.

It's our usual approach to add 8% simple interest per year to reflect the fact the consumer has wrongly had to pay something in the past, or wasn't given money when they should have been, so hasn't had that money available to use. I accept that some reimbursement was attempted, although it appears Mr C did not cash this cheque. I also appreciate that Mr C has not wished to accept part-settlements, saying it was unclear to him what things were for and that he thought Ageas was trying to catch him out.

I acknowledge this is how Mr C has felt about the situation. But I have to balance this with the general duty upon Mr C to mitigate his losses. I'm mindful that Ageas has attempted to make payment. And I'm also aware Mr C wrote to Ageas on 10 October 2023, asking it

to stop sending him 'random cheques'. So overall, I don't think Ageas should be responsible for paying interest beyond the point when Mr C made it clear he would not be cashing the cheques. So I intend to direct Ageas to add 8% simple interest to the £900 reimbursement, from the date Mr C paid the contribution to 10 October 2023.

I understand there were some issues with the installation of the fire suite. But I've seen evidence that the item was installed and operational towards the end of December 2023.

Removal costs

Early on in the life of the claim Mr C paid £312 to have damaged items removed from his home. Mr C provided the invoice to our investigator, who subsequently forwarded it to Ageas. Ageas has accepted this as a reasonable expense, but questioned whether interest should be added to the reimbursement, as Mr C did not provide the invoice directly to Ageas or its agents.

I understand Mr C arranged the removal of soiled items when heavy rain entered his house, further damaging his living room contents. Ageas had allowed an amount for removals and, had Mr C provided his invoice to the company directly, I've no reason to doubt it would've been reimbursed promptly by Ageas. Mr C did provide the invoice to us with his initial referral documents, which, following allocation of the case, our investigator forwarded to Ageas. This was after Mr C had already asked Ageas to stop sending him cheques. So I intend to direct Ageas to add 8% simple interest in respect of this cost from the date of the invoice until 10 October 2023.

Carpet

Mr C has been issued a voucher to the value of £1845.76 for the replacement of his carpet. Mr C sent the voucher to our investigator and more recently has said he wants cash, as he doesn't want to have to go to a particular shop. I can understand Mr C's reservations, although I note the voucher was for use in a major carpet retailer where there would, presumably, be reasonable choice. Where redeeming a voucher can provide a reasonably matched replacement we'd generally say it was a fair way to settle a claim for a particular item. I think that's the case here.

However, Mr C is adamant he doesn't want a voucher. Ageas has confirmed that a cash alternative is available. But Mr C should note that a cash alternative will be at the cost of the voucher to Ageas, which was £1453.54. It's standard insurance practice to use vouchers because the insurer gets a discounted price from the voucher supplier. We don't consider this unreasonable, as the customer is able to obtain a replacement item and the insurer is able to manage costs.

So, I'm currently minded to award £1453.54 for carpet, and will do so, unless Mr C tells me that he would now prefer the voucher.

Remaining contents

In her first view, our investigator proposed that, upon receipt of the invoice, Ageas should reimburse Mr C £250 he'd paid for blinds, plus 8% simple interest. The invoice for the blinds was subsequently sent to us and forwarded to Ageas. However, the invoice date was after Mr C had requested no further cheques be sent. So I do not intend to add 8% simple interest to this reimbursement. Our investigator also asked Ageas to look into a chair that was damaged but did not appear to have been the subject of a suitable settlement.

Following our investigator's second view, Ageas offered to settle Mr C's outstanding contents claim at £5000. This was to include his settee/chair, TV and TV stand, and reimbursement of the cost of blinds.

As part of my review I requested further information from Ageas regarding Mr C's contents claim, as it appeared to me that some items hadn't been included in the calculations. Ageas pointed out that much of Mr C's claim was not particularised, that is, there was limited evidence provided of the losses and replacement costs. However, in line with its responsibility to assist a claimant, I could see evidence in the file of Ageas's attempts to quantify Mr C's losses and make offers to him.

Ageas has said it will pay £6315 for the remainder of the contents claim. The additional £1315 is in respect of Mr C's coffee and side tables, curtains, lamps, clock, sundries and ornaments. I've seen evidence that Mr C's chandelier was fitted and working. Ageas has indicated that the cost for this was included in its agent's invoicing. Mr C has not raised any issue about the chandelier since it was fitted, so unless shown otherwise, I'm going to assume that issue has been satisfactorily resolved.

I will reiterate that this has been an involved and complicated claim. Overall, I think Ageas's offer of £6315 for the bulk of Mr C's damaged contents is fair. This is separate to the settlement for the carpet, reimbursement of the contribution made towards the fire suite and reimbursement of the removal costs.

Issues arising from the Structural Engineer's report

Following receipt of our investigator's first view, Mr C arranged for a structural engineer to review the repairs to his property. The subsequent report and invoice was provided and shared with Ageas for comment. The report raised some structural concerns along with issues to do with the quality of workmanship.

In a second view, our investigator set out the issues raised in the report and the responses provided by Ageas. She found the explanations provided by Ageas appropriate, in relation to the damp proof course (DPC), rebuilding of the bay structure and use of thermal insulation boards, evidence of the use of F2 rated frost resistant bricks to rebuild the garden wall and description of laying new MOT 1 sub-base for the pavers with a larger area dug out and re-based around the area where oil leakage occurred during the accident.

Further issues were identified by the engineer with the quality of repairs. Ageas' contractors have offered to return to complete rectification works. This includes:

- Fixing peeling wallpaper on the chimney breast
- Replacing skirting to match the profile
- Rectifying poorly fitted skirting around the fire suite with tighter cuts upon skirting replacement
- On-site inspection of the windowsill board and door handle with appropriate action to be taken to ensure a quality repair.

I'm satisfied that the majority of the explanations and remedial offers are reasonable, barring the explanation given regarding the DPC. I've thought carefully about the comments made and reviewed the photos in the engineer's report, although unfortunately, these are of poor quality as the report has come to us in pdf format.

Nevertheless, in its response to the structural engineer's report, Ageas did not dispute that in rebuilding the bay window, the DPC was installed at the pre-loss level, which is less than 150mm above ground level and therefore not compliant with current building regulations. The reason given for this was that to replace the elevation would be betterment.

In completing repairs, we'd look for an insurer to indemnify a policy holder by carrying out an effective and lasting repair. To be effective, the repair should fully put right the damage. And to be lasting it must do so for an appropriate amount of time. That will vary, depending on the nature of the repair. But for re-building work, we'd expect such a repair to last for many years. Ageas has argued that it would be betterment for Mr C's bay window to have a DPC compliant with current building regulations. But before the damage, Mr C had a bay window DPC considered adequate for the standards of the time it was built. To put him back in the same position, he should have a repaired bay window DPC that's compliant with today's standards. I therefore intend to direct Ageas to install a new DPC around the bay window repair, compliant with today's building regulations.

There remains a question about how work to address the issues identified in the structural engineer's report can be carried out. Ageas's contractors have said they would wish to return to complete rectification and snagging works themselves. Mr C has previously said he doesn't want the same firm to return. However, it's standard practice for a building firm to return to complete rectifications. And I'm mindful that Mr C has expressed dissatisfaction with two sets of contractors. In all the circumstances, I don't think it's reasonable to require Ageas to instruct another firm of contractors, so the choices are as follows:

- Mr C accepts the same firm back to complete the agreed rectification works.
- As an alternative Ageas has offered to pay the costs of Mr C hiring contractors of his choice to complete the agreed rectification works. To clarify, that is the issues identified with the DPC, wallpapering over the chimney breast, non-matching skirting, quality of fit of skirting around the fire suite, finish of windowsill and fit of door handle. However, Mr C has previously said he does not want to hire his own contractors.
- The only other possibility is for Mr C to accept a cash settlement in respect of the rectification works.

In response to this provisional decision, I'd be grateful if Ageas would provide a figure for the cash settlement option, based on the works listed above. I'd also be grateful if Mr C would indicate his preference from the three options I've set out. I appreciate the value of a cash settlement is presently unknown, so will share Ageas's response to my request with Mr C when it is available.

Cost of Structural Engineer's Report

Mr C has provided evidence to show that he paid £720 for the structural engineer's report. The report has identified issues with the quality of works carried out. As the report was material in progressing matters towards resolution, our investigator proposed that Ageas contributed £100 towards the cost of the report.

I thought carefully about whether this figure is fair. I'm mindful that Mr C lost faith in Ageas some time ago. I'm also mindful that he's been living with the evidence of poor workmanship, in terms of the finish of some of the decorative work done. I think this would reasonably cause him to question the quality of all the repair work undertaken and to have concerns about the quality of the building repairs. I think it understandable that he wished to seek a professional opinion, independent of Ageas. The report raised quality issues which Ageas has not disputed and has agreed to rectify. And I've relied on the report to inform my view as to a fair and reasonable outcome. So I think it appropriate for Ageas to reimburse Mr C the total cost of the report. In line with this reasoning, I intend to add 8% simple interest to this cost from the date of the invoice until the date of settlement.

Summary of proposed redress

To put things right I intend to direct Ageas to:

- Pay Mr C £450 compensation for distress and inconvenience caused by delays in claims handling and in respect of the specific issues to do with his alternative accommodation and window
- Reimburse Mr C the outstanding £900 he paid towards his fire suite, adding 8% simple interest from the date of payment to the 10 October 2023
- Reimburse Mr C £312 in respect of his removal costs, adding 8% simple interest from the date of the invoice until 10 October 2023
- Pay Mr C £1453.54 in respect of replacing his carpet
- Pay Mr C £6,315 in respect of the remaining contents claim
- Reimburse Mr C £720 in respect of the structural engineer's report, adding 8% simple interest from the date of payment to the date of settlement.

I await confirmation from both parties regarding the most appropriate way of redressing the issues arising from the structural engineer's report, that is, the building regulations-compliant DPC and decorative/cosmetic rectification works.

I invited both parties to respond to my provisional decision and provide any further evidence or comments they wished me to consider before I issued my final decision. I thank both parties for the responses received.

Ageas said it accepted my provisional decision. It confirmed it had contacted its agents to obtain a cash figure for the rectification works, but was awaiting a response.

Mr C responded, the key points of which I summarise as follows:

- He will accept the cash alternative in respect of his carpet.
- He will accept the same builders back to carry out rectification works. In view of this, I have not delayed issuing my final decision any further, as a figure for the cash alternative is no longer required.
- Regarding the rectification works, he thinks the whole lot wants redoing.
- His garden was not dug out, he has flags (pavers) that don't match and his garden wall is at risk from frost.
- His wallpaper is falling off and the decorating needs totally redoing.

- His CCTV isn't connected to anything – it's just CCTV that a shop would have on a little monitor, whereas his was connected to his TV.
- He was concerned I didn't mention him having to leave the hotel, nor the time taken to resolve the claim.

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.

The structural engineer's report was commissioned by Mr C. The engineer was a man with over 30 years' experience in the field. He comments in the report that his observations are limited to aspects he considers to be of relevance to the terms of reference, which were to attend the subject property and undertake a visual structural inspection and report the adequacy of the repairs completed following the vehicle impact. The observations relate to the significant aspects.

In coming to a fair conclusion about the extent of the rectification work required, I've relied on this expert report, as well as the responses to it provided by Ageas's contractors. I've also now seen the structural engineer's report in a format that shows clear photographs.

Garden issues

The expert report notes it's good practice that copings have a drip to stop moisture/water tracking back to the wet brickwork but there is no requirement in building regulations. Under 'discussion and conclusions', the engineer comments on the risk of frost damage or unsightly salt staining over time, if the wall is not rebuilt using F2 or S2 bricks. Ageas has confirmed that F2 bricks were used. I think this addresses this concern satisfactorily, so I'm not asking Ageas to do anything more in respect of Mr C's garden wall.

The expert report makes no mention of non-matching flags, so I conclude this is not something that was raised either with or by the structural engineer at the time.

I appreciate Mr C's comments that the area was not dug out. In his report, the engineer voices his concern that there may've been no testing to establish whether soils in the garden were contaminated. He notes the volume of oil leakage was low and the joints in the existing flags were pointed, but observed that there remains a risk of contamination. Ageas has provided an explanation of the work undertaken to lay a new MOT 1 sub-base for the pavers. I've previously said I think this explanation reasonably addresses the concerns about something that is, at worst, a low risk. I don't think it would be proportionate to ask Ageas to carry out any further work in this respect.

Internal issues

Mr C is concerned that his CCTV isn't connected to his TV. I've previously commented that in the absence of a TV – as Mr C had not yet bought one – the CCTV system was connected to a monitor. As I'd seen evidence the CCTV was functional, I didn't think Ageas needed to do anything more in respect of this.

However, reflecting further on Mr C's comments, I think that connection to a monitor doesn't put him back in the position he was in before the accident. I've reviewed emails between Ageas, its contractor and Mr C in December 2023. I can see Ageas agreed to a return visit and its contractor then wrote to Mr C, asking him to confirm he had a new TV so the return

visit to fit the CCTV could be arranged. I've recently confirmed with Ageas that it will honour the undertaking given to arrange for Mr C's CCTV to be connected to his TV.

In respect of the quality of workmanship, the expert report identified the following matters that were not considered to be of a satisfactory standard:

- *The wallpapering of the chimney breast and party wall is quite poor and is currently peeling.*
- *The skirting fitted to the front wall do not match the existing. New skirting have been poorly installed around the fire place.*
- *The windowsill board and the door handle are poorly installed.*

These are the outstanding issues which I concluded should be addressed by Ageas, although for clarity I will require Ageas to rectify poor quality wallpapering which the engineer details as follows:

- *The chimney breast/party wall has been wall papered with a patterned wallpaper.*
- *The wallpaper is poorly hung with non-bonded edges and open joins in the paper.*
- *The print repeat lines up poorly over the paper join.*

I understand that Mr C wants his house back to normal. Relying on the report he commissioned and Ageas's responses to it, I've set out what I think should happen to put things right. The rectification work should address the quality issues identified in the expert report that I've concluded are outstanding. The work should make good those errors and omissions. But it is not for me to direct *how* that rectification work is done. That is a matter for Ageas and its contractors. Neither is it a matter for me to direct which firm should carry out the works. Again, that is for Ageas to decide.

Finally, in my provisional decision I said the proposed £450 compensation for distress and inconvenience was in respect of issues to do with Mr C's window, his hotel accommodation - including not being told about having to leave - and general claims handling matters, including the time taken to resolve the claim.

In all other respects, I've not seen any new information that would lead me to alter my provisional views.

Putting things right

To put things right Ageas should:

- Pay Mr C £450 compensation for distress and inconvenience caused by delays in claims handling and in respect of the specific issues to do with his alternative accommodation and window.
- Reimburse Mr C the outstanding £900 he paid towards his fire suite, adding 8% simple interest from the date of payment until 10 October 2023.
- Reimburse Mr C £312 in respect of his removal costs, adding 8% simple interest from the date of the invoice until 10 October 2023.
- Pay Mr C £1453.54 in respect of replacing his carpet.
- Pay Mr C £6,315 in respect of the remaining contents claim.

- Reimburse Mr C £720 in respect of the structural engineer's report, adding 8% simple interest from the date of payment to the date of settlement.
- Arrange for Mr C's CCTV to be connected to his TV.
- Arrange for work to be carried out to address the issues arising from the structural engineer's report, that is, the building regulations-compliant DPC and decorative/cosmetic rectification works. The work carried out should achieve an effective and lasting repair. For the avoidance of doubt, the issues set out in the structural engineer's report that I've concluded require rectification work are as follows:
 - Installation of a new DPC around the bay window repair, compliant with today's building regulations
 - Rectification of the issues identified with poorly hung and peeling wallpaper on the chimney breast/party wall
 - Replacement of skirting to match the existing profile
 - Rectification of poorly fitted skirting around the fire suite with tighter cuts upon skirting replacement
 - On-site inspection of the windowsill board and door handle with appropriate action to be taken to ensure a quality repair.

My final decision

I uphold this complaint and require Ageas Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 October 2024.

Jo Chilvers
Ombudsman