

The complaint

Mr S and Miss W complain about delays Advantage Insurance Company Limited ('Advantage') caused when dealing with a claim made on their home insurance policy.

What happened

Both parties will be familiar with the background to this complaint. So, I'll only briefly summarise what happened here.

In October 2022 Mr S and Miss W suffered an escape of water inside their home from a burst pipe which damaged the ground floor of their house. So, they contacted Advantage to make a claim.

Advantage arranged to carry out a trace and access, finding in November 2022 the leak originated from a burst flexi-pipe.

After assessing the damage, a dispute arose between Advantage and Mr S and Miss W as to whether alternative accommodation would be provided. Advantage's preference at the time was to place temporary flooring in the property while restoration work was being carried out, but Mr S and Miss W thought it would be more suitable for them to be placed into alternative accommodation. This was resolved in January 2023 when Advantage agreed to provide alternative accommodation.

Mr S and Miss W were moved into hotel accommodation in January 2023. But they informed Advantage it wasn't suitable for their needs. Advantage spent some time looking into alternatives. Mr S and Miss W weren't initially satisfied with the options offered, but eventually did move into different alternative accommodation.

Repairs on the property didn't start until 31 May 2023, and to my understanding still aren't complete. And there have been various issues reported with the repairs which have already been carried out.

Mr S and Miss W brought their complaint to us in February 2024, having complained to Advantage without receiving any final response to their complaint. Advantage later responded in August 2024. And it acknowledged there had been multiple delays, and a poor quality of repairs. In recognition of this, it offered Mr S and Miss W £1,000 compensation, and agreed to waive their £250 policy excess.

Our investigator didn't think Advantage's response was fair. In summary, he said:

- Some disruption was inevitable given the nature of the claim. But he thought there were unreasonable delays Advantage caused. And it could have started the repair work earlier.
- Mr S and Miss W raised concerns about their conservatory being damaged due to the home being vacant. And he said Advantage should consider this and if it found

the damage was consistent with the home being vacant it should agree to the necessary repair work.

- Mr S and Miss W asked Advantage to cover the cost of a deep clean of the property. The investigator didn't think this was an unreasonable request given the length of time they'd been away from their home.
- He acknowledged Mr S and Miss W's comments about having difficulty obtaining insurance elsewhere. But said Advantage had a duty to accurately record the overall cost of the claim. So, he didn't think Advantage needed to do anything more to rectify this.
- He thought Mr S and Miss W had been caused substantial distress and inconvenience and didn't think £1,000 was enough. So, he recommended Advantage pay them a further £1,000.

Advantage accepted the investigator's opinion. But Mr S and Miss W did not. So, the complaint was referred 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.

Having done so, I've decided to uphold this complaint. I'll explain why.

The merits of this complaint largely aren't in dispute. Advantage acknowledged there have been severe delays and it accepted the investigators recommendation to pay a total of £2,000 compensation. I've read Mr S and Miss W's response and I understand they don't think this is enough for what they've been through. So, my focus within this decision will mainly be on what I think is the fair and reasonable way to put things right.

I should explain I'll only be considering the events on the claim which happened up to Advantage's final response in August 2024. I'm aware Mr S and Miss W's claim continued after that, and note they've reported more issues. But before this Service can consider a complaint, the business which the complaint is about first need to be given the opportunity to respond to it.

So, Mr S and Miss W will first need to complain directly to Advantage about anything they're unhappy with which happened after Advantage's final response in August 2024. If they remain dissatisfied after receiving Advantage's final response, or don't receive a final response after eight weeks from the date of making their new complaint, they may then refer the matter to us as a new complaint.

It may be helpful if I also say that while I've read and considered everything Advantage and Mr S and Miss W have provided, I won't be commenting on every point made. I'll instead concentrate on what I think are the key points I need to think about for me to reach a fair and reasonable outcome. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

The claim still wasn't resolved by the time Advantage issued its final response – despite by this point the loss having arisen almost 22 months prior. It's clear this was a pressing concern for Mr S and Miss W – especially since the claim was preventing them from being able to live in their home. So, I would have expected Advantage to think about what it

needed to do to resolve the claim, and to outline a reasonable way forward to achieve that. I've considered if it did that.

In its final response, Advantage said a second round of repairs had been due to start on 12 August 2024, but were postponed by its contractor without any clear reason. It apologised for this and said it had escalated the claim to its senior management team and had assigned a dedicated case handler to oversee the claim and keep Mr S and Miss W updated.

The immediate problem at the time of the final response was Advantage's supplier had postponed scheduled repairs without providing a reason. So, the next course of action I'd have expected from Advantage would have been to get the repairs back on track as soon as possible, and update Mr S and Miss W on what was happening.

I can't say Advantage wasn't working towards that through the steps it set out in its final response. But, bearing in mind the length of time the claim had been ongoing at this point, I think Advantage could have said more here to reassure Mr S and Miss W of what specifically it was going to do next in terms of rearranging and carrying out the repairs, and the estimated timeframe for completion. I think it added to Mr S and Miss W's distress that Advantage didn't do that.

I emphasise I've only considered if what Advantage said it would do next at the time of its final response was reasonable. Again, I'm not considering what happened after the final response, as that would need to be the subject of a new complaint.

I've next considered if Mr S and Miss W have unfairly been caused financial losses due to the way Advantage have dealt with the claim.

Mr S and Miss W likely would have been caused some additional expenses while they were staying in hotel accommodation - due to, for example, not having the use of kitchen or laundry facilities. It's considered good industry practice that if alternative accommodation such as a hotel is provided - which doesn't have the same amenities as a consumer's home - that insurers should pay a disturbance allowance. This is intended to reflect additional costs a consumer may have incurred by losing the amenities of their home, such as a kitchen or washing machine, and being placed in alternative accommodation, such as hotel, which doesn't include those same amenities.

Advantage said it's already paid Mr S and Miss W a £1,000 disturbance allowance. But it's now offered to increase this and has agreed to pay £10 per day for each adult while they were staying in hotel accommodation, which equates to a total of £40 per day.

I haven't seen anything to show that a rate of £10 per day per adult wasn't enough to cover Mr S and Miss W and their families increased costs. So, I think the rate is fair since it's in line with industry standards and Mr S and Miss W haven't shown their costs were higher. But Advantage said it would consider paying more if Mr S and Miss W can provide evidence to show their costs were higher. And I think that's reasonable.

I note Advantage agreed it would make an additional disturbance allowance payment to supplement the £1,000 already paid. For the avoidance of doubt, Advantage should ensure that any additional payment made is sufficient to ensure the total amount paid for the disturbance allowance is £40 per day for the whole duration Mr S and Miss W and their family stayed in hotel accommodation.

In terms of any other financial losses, I understand a boiler was damaged while Advantage was carrying out repair work. But Advantage has since agreed to repair the boiler, which I think is fair.

Additional damage was reported to the conservatory, said by Mr S and Miss W to have been caused by the extended duration the property has been vacant. I haven't seen enough to show this damage or what caused it. Since there is limited evidence available on this, I think it's reasonable for Advantage to have an opportunity to inspect the reported damage first. But if the damage is found to have likely been caused by the length of time the property has been vacant, Advantage should repair this damage.

I also understand Mr S and Miss W think Advantage should cover the cost of deep cleaning their home. Advantage's responsibility under the policy is to restore the property to the condition it was in prior to the loss. Had the claim been dealt with in a timely manner, I wouldn't expect Advantage to clean it beyond putting right the damage caused by the escape of water and cleaning up after any repair work it carried out.

But I think it's likely the general cleanliness of the property will have suffered due to how long this claim has gone on for. So, I think it's reasonable for Advantage to either arrange for a professional clean of the property, or to pay Mr S and Miss W the cost for this once the repairs have concluded.

Mr S and Miss W say they've had trouble getting insurance cover elsewhere due to the property being uninhabited, the claim still being open, and the overall cost of the claim. Mr S and Miss W declined a renewal offer from Advantage. But they weren't ultimately able to find a policy elsewhere. And the underwriter of the policy Advantage previously provided has now changed, with the new underwriter declining to offer Mr S and Miss W cover. This has resulted in Mr S and Miss W now being without insurance for their home.

I sympathise with Mr S and Miss W and understand it will have caused worry to have their home uninsured. But on balance, I don't think it's likely this has happened because of the issues they've experienced on this claim.

I say this because I think it's likely there always would have been a high cost attached to this claim which Advantage would have been obligated to accurately record on the Claims and Underwriting Exchange ('CUE'). The information recorded on CUE would have been available for other insurers to see, and likely would have limited Mr S and Miss W's options in taking out cover elsewhere. So, I think the greater likelihood is, even without the significant delays on the claim and the claim still being open at the time of renewal, Mr S and Miss W still would have faced challenges finding cover elsewhere.

The remaining aspect I've considered is the overall distress and inconvenience Mr S and Miss W and their family have been caused. Advantage has agreed to waive their excess of £250 and pay £2,000 compensation. Mr S and Miss W have explained why they don't think this is enough and what their expectations are. While I understand Mr S and Miss W will be disappointed, the offer to pay £2,000 and waive the £250 excess would be considered an exceptional award, and I think the amount is fair and reasonable. I'll summarise the key points I've thought about when deciding this:

- We don't have powers to fine or punish businesses when something has gone wrong. Nor is that something we aim to do. But we can make compensation awards for distress and inconvenience caused to consumers.
- I can't hold Advantage responsible for the fact there's been a claim or the disruption which inevitably would have arisen from it. There was an escape of water in Mr S and Miss W's home which caused significant damage. It always would have taken some time to rectify that damage, so I think it was inevitable Mr S and Miss W

would have been caused some disruption and would have needed to move into alternative accommodation for some time.

- But Advantage had a responsibility to handle the claim effectively and progress it proactively and within reasonable timescales. It hasn't done so at various points throughout the claim. And it doesn't dispute there have been significant avoidable delays on the claim.
- Mr S and Miss W's adult son and adult daughter also lived in their home and were affected. Their daughter was pregnant and expecting a baby in May 2023. They've missed out on being able to celebrate special occasions at their home such as milestone birthdays. This has understandably caused them much upset.
- They had a particularly difficult time while they were staying in hotel accommodation for three months. Mr S, who is diabetic, needed a fridge to store insulin. One wasn't provided in the hotel, meaning he had to twice take daily trips to a relative's home around a mile away. They also experienced disruption at times due to issues around Advantage booking extensions and paying meal allowances.
- Mr S and Miss W informed Advantage early on in their stay that the hotel was unsuitable since it didn't have a fridge for Mr S's insulin. I'm aware Advantage were looking to source more appropriate accommodation such as a short term let and appreciate that's something which may not have been possible to arrange immediately. But I've seen nothing to show why Advantage couldn't have found more suitable hotel accommodation in the short term.
- It ended up taking around three months for Mr S and Miss W to be moved out of the hotel. I understand Mr S and Miss W rejected several options Advantage offered them, and Advantage said they'd consider options Mr S and Miss W presented. Although I appreciate finding alternative accommodation can sometimes take a while, I don't think Advantage has shown it did everything it reasonably could to minimise the time Mr S and Miss W had to live in a hotel or that the options Mr S and Miss W declined weren't unreasonable. So, on balance I think Mr S and Miss W had to live in hotel accommodation for longer than was necessary.
- I haven't seen any problems complained about with the alternative accommodation Mr S and Miss W were moved into after their hotel stay. I don't dispute it's been upsetting for them that they've been away from their own home for a very long time. But I don't think the impact, or the inconvenience, was as significant as it was in the hotel once they moved out into other alternative accommodation.
- After the initial round of repairs in May 2023, there were around 30 issues reported with the repair work. While it's not uncommon for there to be some snagging issues after repairs have been carried out to a home, I think the number of defects here is excessive and unreasonable. Ultimately, the effect this has had seems to be it has prolonged the length of the claim considerably – given repairs remained unresolved by the time of Advantage's final response over a year later.
- In July 2023 there was an attempted break-in at Mr S and Miss W's home. They believe it was because the property had been vacant for so long at this point. However, even if the attempted break-in was linked with the vacancy of the home, I don't think it was reasonably foreseeable that this would have happened because of delays with the repairs. So, I can't reasonably hold Advantage responsible for it.

- Inconvenience has been caused due to Mr S and Miss W having to take time off to attend surveys, sometimes at short notice. Even if the claim had progressed smoothly and without delays, Mr S and Miss W would still have needed to be involved in the claims process and inevitably that would have caused them some disruption. But I think the delays, and poor quality of repairs, likely has increased the level of disruption they've faced and has caused them some unnecessary inconvenience.

We generally look at compensation for distress and inconvenience as a whole for what's happened on a complaint. Having considered everything which happened here, I think the amount needs to be substantial to reflect the unsuitable conditions of the hotel, the prolonged nature of the claim, and the impact the avoidable delays have had on Mr S and Miss W and their family. But I think £2,000 and the offer to waive the £250 excess is consistent with our award levels and is fair and reasonable. So, while I sympathise with Mr S and Miss W for everything that's happened, I won't be asking Advantage to pay more than this.

Putting things right

I require Advantage to do the following:

- Pay Mr S and Miss W a disturbance allowance of £40 per day for the entire duration they were in hotel accommodation. If Mr S and Miss W's costs went beyond this, Advantage should consider paying more on receipt of evidence from Mr S and Miss W.
- Repair the boiler.
- Inspect the reported damage to the conservatory and repair it if it's found to have likely arisen from the length of time the property has been vacant.
- Carry out, or cover the cost of, a professional clean for Mr S and Miss W's home once all the repairs have been completed.
- Pay Mr S and Miss W a total of £2,000 compensation for the distress and inconvenience caused. And waive their policy excess of £250.

My final decision

My final decision is that I uphold this complaint and I require Advantage Insurance Company Limited to carry out the steps I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Miss W to accept or reject my decision before 17 March 2025.

Daniel Tinkler
Ombudsman