

The complaint

Miss F and Mr R have complained about how Accredited Insurance (Europe) Ltd ('Accredited') dealt with a claim under their home insurance policy.

References to Accredited include companies and contractors acting on its behalf.

What happened

Miss F and Mr R contacted Accredited to make a claim for a water leak in their home. Accredited arranged to assess the damage. After some discussion with Accredited, Miss F and Mr R said they wanted to obtain quotes themselves for the works required. They provided one quote, which Accredited said was too high. It asked them to provide more quotes. But it also said it could do the work itself or pay a cash settlement for the amount it would cost Accredited to do the work. Accredited's contractors then visited Miss F and Mr R's home to draw up a scope of works. It was agreed that Accredited would carry out the repairs.

Miss F and Mr R chased Accredited for a start date for the work. They also raised a complaint because of the lack of progress. While the complaint remained ongoing, Mr R asked for the contractors to start without delay or to be paid a cash settlement. Accredited offered Miss F and Mr R a cash settlement for the amount it would cost it to do the work. Miss F and Mr R rejected the cash settlement offer because it was considerably less than the quote they had obtained. Accredited said Miss F and Mr R's quote included betterment, which wasn't covered by the claim. It provided Miss F and Mr R with the scope of works so they could obtain a quote for the work based on that.

Accredited's contractors also visited again. Following this, Miss F and Mr R were offered two start dates. However, they were concerned about the dates offered because they would need to move to alternative accommodation and were due to have a baby around that time. Accredited again offered to cash settle the claim for the amount it would cost it to do the work, which was rejected. Miss F and Mr R said Accredited should do the work and explained when they would like it to begin. Accredited started to look for alternative accommodation for Miss F and Mr R.

Around this time, Accredited also replied to the complaint that had been raised several months earlier. It accepted there had been issues around contact and delays in progressing the claim. It offered £200 compensation. Following this, Miss F and Mr R approached this Service about their complaint.

The claim continued and Accredited offered Miss F and Mr R some alternative accommodation options. However, Miss F and Mr R said they weren't suitable. They raised a new complaint. They also asked for a cash settlement. Accredited offered the same cash settlement as previously. Miss F and Mr R declined it.

Accredited replied to the second complaint. It explained some of the claim history and what had happened to try and find suitable alternative accommodation. It said Miss F and Mr R had asked to be paid £8,500. It confirmed its offer was £3,835.91, which was subject to the

excess and based on its contractor costs. It apologised for the continued delays and the communication shortfalls. It said the rejection of the alternative accommodation also contributed to the claim delays. It said finding suitable accommodation was crucial to the claim. It said a cash settlement would offer a resolution to the claim. It asked Miss F and Mr R to provide two comparable quotes. It would then look to offer a new settlement amount. It also offered £100 compensation for the issues with the claim.

Our Investigator considered the complaints and upheld them. She said there were some avoidable delays, particularly after Accredited had approved the contractors to start the work. Accredited also hadn't always fairly set Miss F and Mr R's expectations about the claim. She said it took too long for Accredited to look at making a cash settlement offer again. However, the settlement offer itself was fair. When the contractor was able to offer a start date, the claim progressed reasonably. This included Accredited offering options when Miss F and Mr R were concerned about the start dates of the work. She also said the alternative accommodation options were reasonable in the circumstances. She said Accredited should pay a total of £500 compensation, which included the £300 it had previously offered, for the delays and poor communication.

Miss F and Mr R initially accepted our Investigator's findings. However, they later said they had misunderstood the level of compensation offered. They asked for the complaint to be referred to an ombudsman. So, it was passed to me for a decision.

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 uphold this complaint. I will explain why.

My decision only considers the period up until when the second complaint response was issued. I'm aware the claim has moved on since then, but that doesn't form part of my decision.

This has clearly been a lengthy claim. I've looked at the reasons for that and whether Accredited dealt with the claim and complaint in a fair and reasonable way.

Based on what I've seen, I think the claim initially progressed in the way I would have expected. Accredited assessed the damage and the work required to carry out the repairs. Miss F and Mr R were also given the opportunity to obtain their own quotes for the work. Following this, it was agreed that Accredited's contractors would carry out the repairs. I note Miss F and Mr R's bathroom required particular expertise, which limited who could carry out the repair.

I think Accredited could have better set Miss F and Mr R's expectations around the start date. It took a few months for Accredited to offer a start date which, in part, seemed to be about the contractor's availability. But, I think Accredited could have done more to progress the claim sooner, despite there only seeming to be one contractor who could do the work. I can see Mr R also had to chase to try and get progress and updates. On a few occasions during the claim, he raised the possibility of a cash settlement because he, understandably, wanted the claim to come to an end. The first complaint also remained open for a few months because Accredited seemed to have to keep chasing contractors to try and get responses to the issues raised. I think this also showed some of the issues with trying to progress the claim. So, overall, I think there was some poor service and avoidable delays.

Following this, Accredited offered two start dates for the work. Miss F and Mr R didn't want the work to start around that time. Given they were due to have a baby, I can understand this. But I don't think I can fairly hold Accredited responsible for the start date being delayed at Miss F and Mr R's request.

I've also looked at the cash settlement offered. The policy documents said Accredited would decide how to settle a claim. It said that if it didn't carry out the repair, it would pay "*the cost which would be incurred if we replaced the item through our network of suppliers*". So, I think Accredited acted in line with the terms of the policy when it made its offer. Accredited was also concerned that there was betterment in the quote Miss F and Mr R obtained. Given the quote included items such as a full retiling of the bathroom, I think it was fair for Accredited to decide that was the case. It also provided Miss F and Mr R with the scope of works so they could get a like for like quote, which I think was reasonable to try and help resolve the issues around a cash settlement.

Miss F and Mr R were also concerned about the alternative accommodation they were offered, including because their baby was due to arrive and that Mr R worked from home. Looking at the options offered, overall, I think these were reasonable. The policy said it would provide similar alternative accommodation while the property couldn't be lived in. Mr R wasn't satisfied with the first accommodation offered and Accredited then offered another option to try and address those concerns. I'm aware it was a few miles from Miss F and Mr R's home, which wasn't ideal. However, I'm not persuaded that what was offered was unreasonable in the circumstances.

I've also thought about compensation. There will always be a certain level of distress and inconvenience caused by a claim. I've also already commented on some avoidable delays and poor communication during this claim. I'm aware Miss F and Mr R were due to have a baby, which added to their need to ensure the claim progressed and that they were able to live somewhere suitable during the repair work. Having thought carefully about what happened during this claim, I think £500, which includes the £300 Accredited previously offered, more fairly reflects the impact on Miss F and Mr R because of how the claim was dealt with. So, I require Accredited to pay this amount.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Accredited Insurance (Europe) Ltd to pay Miss F and Mr R £500 compensation, which includes the £300 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F and Mr R to accept or reject my decision before 22 November 2024.

Louise O'Sullivan
Ombudsman