

The complaint

Mrs B has complained about the handling of a claim by Accelerant Insurance Europe SA/NV UK Branch ("AIE").

What happened

The background to this complaint is well known to the parties. In summary in May 2022 Mrs B claimed on a leasehold housing insurance policy for damage to a property she rented to the Council. Mrs B reported damage to ceilings in her property. When claiming she explained the history of the escape of water in 2019 and the bathroom ceiling damage from 2021. AIE advised her to obtain two quotes for repairs. As she was unable to get quotes AIE agreed to ask a surveyor to report.

The report concluded *the cracking to the ceilings in the bedrooms, hallway, and second bedroom wall are not related to a recent escape of water event and are likely to be a result of poor workmanship from the previous works completed in 2020.*

AIE also contacted the freeholder – a local council, but the council was unable to confirm at that there had been a recent escape of water.

AIE eventually declined the claim – it said that it wasn't covered by Mrs B's policy.

Unhappy Mrs B referred her complaint here. Our investigator didn't recommend that the complaint concerning the decline of the claim be upheld. However, AIE agreed that there had been delays in assessing the complaint and offered £100 in compensation. Our investigator thought this was fair.

Mrs B appealed.

As no agreement was reached the matter was passed to me to determine. All references to AIE include its agents.

I issued a provisional decision. I said as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Although I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I'm issuing a provisional decision because I'm minded to award a different sum in redress to that recommended by the investigator. I'll explain why.

- *The regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think AIE treated Mrs B fairly.*

- *In May 2022 Mrs B reported damage to ceilings in her property. Mrs B explained the history of the escape of water in 2019 and the bathroom ceiling damage from 2021. AIE advised her to obtain two quotes for repairs. As she was unable to get quotes AIE agreed to ask a surveyor to report. The report concluded the cracking to the ceilings in the bedrooms, hallway, and second bedroom wall are not related to a recent escape of water event and are likely to be a result of poor workmanship from the previous works completed in 2020.*
- *AIE contacted the freeholder – a local council, but the council was unable to confirm at that there had been a recent escape of water. In the circumstances I'm satisfied that AIE fairly declined the claim as there was no evidence of a recent escape of water or other insured peril that had caused the damage Mrs B was claiming for.*
- *Nevertheless Mrs B has said that the delay in handling her claim caused her unnecessary and undue distress and inconvenience and financial loss. I can see that a final response letter was issued in October 2022. AIE didn't give consent for this service to consider that response out of time. Mrs B didn't refer her complaint to this service within six months of that letter, it seems because the matter was ongoing. However a second complaint was responded to in September 2023 and it is that response I'm considering here. AIE accepts that there was an avoidable delay between April and July 2023 and has now offered £100 in compensation.*
- *Although ultimately I agree that AIE wasn't responsible for the claim, I do agree that Mrs B didn't receive the service she could have expected. The delay between April and July is unexplained and clearly contravenes AIE's duty to handle claims promptly. That said, it is not for this service to regulate or to punish financial businesses. But I've looked carefully at the impact that the delay had on Mrs B. I'm satisfied as well as unnecessary stress and inconvenience Mrs B was also caused her physical and emotional distress. I have no reason to disbelieve that this is true. I'm minded to find that compensation is merited in the sum of £200 for the delay between April and July 2023.*

My provisional decision was that I was minded to require AIE to pay Mrs B £200. I said I'd look at any more comments and evidence that I received, but unless the information changed my mind, my final decision was likely to be along the lines of my provisional decision.

Mrs B submitted some correspondence regarding her claim and our investigator's view on her complaint regarding the insurer responsible for the original repair. She said that she didn't feel that £200 was fair and proportionate for the impact of AIE's actions and inactions on her both financially physically and emotionally.

AIE didn't respond.

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.

I've considered the emails that Mrs B has sent in response to my provisional decision. I do appreciate that she was in a difficult position going between two insurers to establish if she had a valid claim for damage to her property. But on the evidence before me and seen by AIE when it issued its final response, I'm not persuaded that my provisional findings were incorrect.

I understand Mrs B feels compensation of £200 is inadequate but in all the circumstances I remain satisfied that it is a fair sum for the delays experienced.

Accordingly I'm not persuaded to depart from the reasoning set out in my provisional decision, and which I adopt here.

My final decision

My final decision is that I uphold this complaint in part. I require Accelerant Insurance Europe SA/NV UK Branch to pay Mrs B £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 November 2024.

Lindsey Woloski
Ombudsman