

The complaint

Mr P has complained that Chubb European Group SE failed to progress a claim he made under a home and buildings insurance policy he shares jointly with Ms P. Mr P disputes the settlement offer Chubb has made to settle part of his claim.

What happened

Mr and Ms P's home was damaged by an escape of water (EOW) in November 2021.

In February 2024 Mr P complained about the lack of progress in finalising the claim in relation to ensuite bathroom works.

In April 2024 Chubb didn't uphold Mr P's complaint. It said it had provided an updated estimate to settle the ensuite part of the claim in December 2022. Mr P said he would get quotes from other contractors, but returned to Chubb to ask it to reconsider his claim in the summer of 2023. In October 2023 Chubb said a meeting was arranged between suppliers to provide a further quote for the ensuite which was sent to Mr P in December 2023.

Mr P brought his complaint to us. He said he remains in dispute over the settlement offer made by Chubb as he doesn't agree it provides 'like for like' replacement cover.

Our Investigator gave a view in the absence of a response from Chubb, as it failed to provide its file in time. The Investigator thought the complaint should be upheld based on the information available to him. He recommended Chubb do the following:

- Ensure repairs to Mr and Ms P's home are arranged without further delay.
- Pay Mr and Ms P £500 compensation for the distress and inconvenience caused by the delay.

Mr P accepted the Investigator's view. Chubb provided its file. On review, the Investigator maintained his view.

Chubb said it wants an ombudsman 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.

As the Investigator explained, this service cannot look at issues up to and including Chubb's response to Mr P's previous complaints in 2022 as they are out of time.

From the information provided by Chubb, I'm unable to see any meaningful progress by it to fairly meet the claim during 2023. An insurer should proactively look to fairly settle a customer's claim.

The Financial Conduct Authority produced a handbook for insurers to follow. The Insurance Conduct of Business sourcebook says under section 8.1.1 R 8.1;

"An insurer must:

(1) handle claims promptly and fairly;

(2) provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress;

8 (3) not unreasonably reject a claim (including by terminating or avoiding a policy); and

(4) settle claims promptly once settlement terms are agreed.”

It's not clear from Chubb's timeline or associated information provided that it has acted reasonably during 2023 to do this. I cannot find any meaningful communication exchanges evidenced between the parties from December 2022 until November 2023. Within Mr P's concerns are the fact that materials and costs would have increased since Chubb's first settlement offer, which it seems Chubb has since taken into consideration.

Mr P has provided a copy of a breakdown he sent to Chubb setting out its final settlement offer and why he disagrees with the amounts. He said Chubb agreed to proceed with agreed works on the basis it was carried out by a contractor approved by it. But at the point of writing, he says he hadn't had an update from Chubb in two months.

I agree with the Investigator's recommendations. Chubb as the insurer should proactively progress this claim to settlement, as the length of time it has taken so far is unreasonable. Mr P says their daughter has been unable to use the ensuite since the damage occurred.

Chubb should pay Mr and Ms P £500 compensation for the distress and inconvenience caused by its contribution to the delay in progressing the claim.

My final decision

My final decision is that I uphold this complaint. I require Chubb European Group SE to do the following:

- Ensure settlement of the claim promptly by either arranging an approved contractor – or paying an equivalent cash settlement for agreed works by Mr P's contractor – for claim related works in line with the policy.
- Pay Mr and Ms P £500 compensation for its contribution towards the delay in settling this claim during 2023.

Chubb European Group SE must pay the compensation within 28 days of the date on which we tell it Mr and Ms P accept my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Chubb European Group SE considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr and Ms P how much it's taken off. It should also give Mr and Ms P a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Ms P to accept or reject my decision before 31 December 2024.

Geraldine Newbold
Ombudsman