

The complaint

Mrs S complains about the way The Salvation Army General Insurance Corporation Ltd ("SAGIC") handled a claim she made under her Property Owner's Insurance policy for damage to a bath.

What happened

In May 2023 Mrs S raised a claim on her SAGIC insurance policy for damage to a bathtub, her tenant had told her there was a chip in the corner of the bath. SAGIC accepted the claim and carried out a repair to the bath in June 2023.

Mrs S complained. She said when the contractor attended, it had said the bathtub would need to be replaced. She said she'd been told this would cost £650, so she wanted that amount paid to her. She also said she wanted a full refund of the excess.

SAGIC issued a complaint final response letter in June 2023. It didn't accept it had done anything wrong. It said it was entitled, under the policy terms, to carry out a repair rather than replace the bath. It was satisfied a repair could resolve the damage.

Mrs S made various points in response, including that she hadn't received the policy documents SAGIC had referred to, so she didn't know how it would look at her claim. SAGIC said the policy documents had been issued by Mrs S' broker. It said any issue with receiving those would need to be complained about to the broker, not SAGIC.

On 22 December 2023, after some more correspondence, SAGIC said it had reviewed matters again and would offer £100 compensation for some miscommunication during the claim. It accepted there had been several different companies involved and said it could have been clearer about the role of each party.

Unsatisfied with SAGIC's response, Mrs S brought her complaint to the Financial Ombudsman Service for an independent review. She said the Consumer Rights Act 2015 says reasonable care and skill must be used while working. She didn't think that had happened whilst carrying out the repair and was unhappy that phone records of conversations weren't available.

Our Investigator didn't recommend that SAGIC do anything differently. He was also satisfied £100 was sufficient compensation for the communication issues.

Mrs S asked for an Ombudsman to consider matters. She said SAGIC had deleted call recordings (relating to the replacement) and reports carried out on the bath. She also said that in January 2024 (after the complaint had been referred to this Service), there had been a further leak in the bath, showing the repair wasn't satisfactory. In October 2024, whilst the complaint was waiting to be reviewed by an Ombudsman, Mrs S said SAGIC had been out to survey the damage but there had been more delays.

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 this is an informal Service, I haven't commented on every point made or piece of evidence provided by both parties. Instead, I've focussed on what I consider to be key to the outcome I've reached.

The scope of this decision

Whilst the complaint was with this Service, Mrs S said there'd been a further update and the bath was leaking again. She said this shows the repair wasn't done with care and skill, and I understand from her comments that SAGIC are reviewing matters. However, in this decision I'm only considering matters up until 22 December 2023, as this is when SAGIC reviewed the complaint again and offered some compensation to resolve it.

It's important to set out that this Service doesn't consider claims, we review complaints. So if Mrs S is unhappy with how SAGIC has dealt with matters since 22 December 2023 – including this new issue with the bath, then she'll need to raise that as a new complaint.

There have been several parties involved in this claim. I wanted to set out here, at the start of my findings, which party's actions my decision will look at.

Mrs S took out her policy through an insurance broker. This is who she contacted to register the claim. Brokers set up and sometimes administer policies on behalf of the underwriter of the insurance. The underwriter decides what insured events the policy will respond to and pays successful claims.

I'm aware Mrs S raised issues with the broker, but I can't consider the actions of the broker here. In this decision, I am only reviewing SAGIC's response to her complaint about how it handled her claim for a damaged bath.

Insurers will generally appoint contractors to do work for them. As those contractors are acting on behalf of SAGIC, they are SAGIC's 'agents', and SAGIC is responsible for the actions of its agents. This means I won't refer to the contractors individually, I'll simply refer to SAGIC.

SAGIC's repair

Under the buildings section of Mrs S' policy SAGIC says it will:

"repair or reinstate the buildings to a condition as near as possible to the condition immediately before the loss or damage occurred".

This ultimately gives SAGIC the option to carry out a repair, or a reinstatement – which in the context of this claim would likely be a replacement bath. SAGIC decided to carry out a repair. But it can only do so if it can fairly show that a repair was possible, for the damage reported.

Having reviewed the evidence, I consider SAGIC made a reasonable decision to carry out a repair. The damage was to a small section of the bath, which SAGIC considered could be sealed to prevent water escaping. I've seen the photograph of the works which shows the small dent in the bath to be repaired. I can see SAGIC asked Mrs S to confirm with the tenants that the issue was resolved, and I can't see any record of a problem with the repair being reported by the tenant within the period I'm considering in this decision.

I don't agree Mrs S has shown SAGIC carried out a repair with 'lack of reasonable care and skill' in breach with the Consumer Rights Act 2015. Firstly, I should say I don't consider this Act to apply here. My understanding of that legalisation is that it relates to what should happen when goods purchased are faulty. Which isn't what has happened here. However, I understand the point Mrs S is making, she thinks the repair was carried out poorly. In support of that she sent some further photos in January 2024.

I understand SAGIC has recently sent a surveyor to assess matters again, following those January 2024 photos. As set out earlier, if Mrs S has concerns about SAGIC's actions in relation to this, she'd need to raise that as a new complaint with SAGIC.

So overall, I find that SAGIC was reasonable to carry out a repair, and that the repair wasn't done so poorly, based on the evidence I've seen from 2023. But Mrs S says SAGIC should pay her £650, which she thinks is the replacement cost, as she was told by SAGIC this is what would happen. So I've considered this below.

Communication

I've listened to the available calls Mrs S had with SAGIC, to decide if she was told the bath would be replaced. Having done so, and having considered some email details too, I don't find it's likely she was told this.

I've listened to a call early on in the claim. The call handler asked Mrs S where the damage was to the bath, Mrs S replied that it was in the corner. The call handler then said it might be able to do a repair, if not it will replace the bath. Mrs S responded *"it will need to be replaced. I'll send a picture"*.

I'm satisfied on that call that Mrs S wasn't told a replacement bath would be provided.

I've also listened to a call which took place on a later date. Mrs S asked when SAGIC was going ahead with the replacement. The call handler replied that there had been approval for the works, but Mrs S first needs to pay the excess. The call handler didn't say a replacement bath will be installed. However, I accept, from this call, that Mrs S was expecting a replacement. It might have been helpful for the call handler to have confirmed what she meant by *"works"*. I interpret *"works"* to mean 'repair works'. However I accept it could also be understood to mean 'works' to replace the bath. But I don't find that SAGIC told Mrs S a replacement bath would be installed.

I've also reviewed the emails between Mrs S and SAGIC at the relevant time too. An email dated 11 May 2023 said SAGIC was awaiting feedback on whether it could complete a repair. On 17 May 2023 a further email says:

"we have now had the repair costs back from our...repairers and we will be approving them to complete the works".

I'm satisfied this email is clear that it is a repair which would be done, there's no suggestion that a replacement wouldn't be provided.

I accept it's possible there were other phone calls between SAGIC and Mrs S – which have been deleted – where she was told about a replacement. So, I might be wrong when I say I don't find it likely to have happened. However, even if I accept she was told, at one point, that the bath would be replaced, I still wouldn't say SAGIC had treated Mrs S unfairly in not then doing this. SAGIC said, in the email outlined above, that a repair would take place. That was before the work started. So I think it was clear in what it would be doing. And ultimately, I'm satisfied it was entitled to carry out a repair under the policy terms, and I'm not persuaded it acted unfairly in doing so.

Mrs S says SAGIC asked her to get two quotes for repair, and its communication around this was unclear. From the file I think this was the broker that asked Mrs S to do this, rather than SAGIC, so I haven't considered this any further.

However, SAGIC accepts there was some minor communication during the claim which caused confusion. I've commented above about the claim handler having had the opportunity to confirm things but not doing so. Taking all that into account, I consider its £100 compensation is sufficient to reflect the impact of any unclear communication. So if it hasn't done so already, SAGIC will need to pay Mrs S £100 to resolve the complaint.

My final decision

My final decision is that The Salvation Army General Insurance Corporation Ltd needs to pay Mrs S £100 compensation to resolve the complaint (if it hasn't done so already).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or

reject my decision before 21 November 2024.

The Salvation Army General Insurance Corporation Ltd must pay the compensation within 28 days of the date on which we tell it Mrs S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If The Salvation Army General Insurance Corporation Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs S how much it's taken off. It should also give Mrs S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Michelle Henderson
Ombudsman