

The complaint

Mrs P and Mr W complain about how esure Insurance Limited trading as Sheilas' Wheels (esure) handled a claim under their home insurance policy for damage to their property from an escape of water.

References to esure include their agents who administer the policy and assess claims.

What happened

In August 2023 there was an escape of water at Mrs P and Mr W's property, causing damage to the kitchen and dining area. Mrs P and Mr W contacted esure to tell them about the incident. esure appointed a surveyor (D) to inspect the damage. D visited the property the same month and prepared a scope of works for strip out and drying of the property and its reinstatement, which they shared with Mrs P and Mr W. esure appointed a contractor to strip out the damaged kitchen, including the flooring and base units.

They also installed drying equipment. The equipment was removed in September 2023 and the property certified as dry. However, drying equipment had to be reinstalled in November 2023 as the property hadn't fully dried.

Mrs P and Mr W were unhappy at the lack of progress with their claim. They said a kitchen unit needed to be removed, so the wet plaster behind could be taken back to the brickwork to be replastered. The kitchen flooring had been removed, so it was down to bare concrete. They also wanted esure to waive the £450 policy excess and compensation for what had happened. So, they complained to esure, in November 2023.

In their final response, issued in April 2024, esure upheld the complaint. They apologised for the impact the time being taken to reinstate the property had on Mrs P and Mr W. They said the strip out and drying works were complete, so Mrs P and Mr W should contact B to finalise the claim (esure said the claim was on hold pending the outcome of Mrs P and Mr W's complaint). On the excess, esure said this was part of the policy terms and conditions (the contract of insurance) and payable on each claim made under the policy. By way of an apology for how the claim had been handled, esure awarded £200 compensation.

Mrs P and Mr W then complained to this Service. They were unhappy at the time taken to progress the claim and reinstate their property. The property was still damp, and they disputed the drying was complete. They also disputed they asked for the claim to be put on hold pending the outcome of their complaint. They weren't able to use the kitchen and dining area (which meant they'd had to dine out at Christmas, at significant cost). They thought damp had spread across the kitchen, meaning more kitchen units would have to be removed than originally thought. The experience had affected their mental wellbeing as well as their being exposed to damp conditions. They thought esure had delayed matters for more than nine months and they hadn't received the customer service they expected. They wanted esure to ensure their contractor completed reinstatement of the whole kitchen and flooring.

Our investigator upheld the complaint, concluding esure hadn't acted fairly. She thought reinstatement of Mrs P and Mr W's property should have been completed by December

2023. That it wasn't had a significant impact on Mrs P and Mr W, including the Christmas period. But the investigator thought the property was habitable and the kitchen usable, so it wouldn't be reasonable to ask esure to cover the costs of the Christmas meal.

The investigator also thought esure should settle the claim in line with the most recent scope of works. On delays to the reinstatement of the property, strip out work started in August 2023, Mrs P and Mr W complained to esure in November 2023, who issued their final response in April 2024. Considering this period, the investigator thought esure should increase its compensation award from £200 to £700 for the distress and inconvenience caused to Mrs P and Mr W.

As part of their consideration of the claim, esure had offered to pay 50% of the cost of replacement of undamaged kitchen units, should Mrs P and Mr W decide to replace the whole kitchen. The investigator thought this offer was in line with this Service's approach in such cases, where a policy didn't include matching sets cover (as in this case).

Mrs P and Mr W disagreed with the investigator's conclusions and asked that an ombudsman review the complaint. They said they hadn't expected reinstatement of their property to be complete by December 2023, But they did expect the property to have been dry by then and drying equipment no longer in place (it was actually in place until May 2024). They would also have expected to have been offered a settlement, but this didn't happen until August 2024, which they didn't think fair or reasonable.

Having the drying equipment in place and a smell of damp also meant it wasn't reasonable for them to have their Christmas meal at the property. They also didn't think the £700 compensation was fair, given the substantial distress, upset and inconvenience to them and their family over a prolonged period, including Christmas and New Year, which was important to them as a family. Nor did the compensation recognise the delay in esure responding to their complaint.

They thought it unfair for the investigator to recommend esure settle the claim based on the latest scope of works, given it was disputed. They were struggling to obtain quotes for the reinstatement due to the nature of work required, but esure had rejected one quote as too expensive. They thought they should be able to make a separate complaint about the claim settlement, should they be unhappy with esure's settlement

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.

My role here is to decide whether esure have acted fairly towards Mrs P and Mr W.

There are several aspects to Mrs P and Mr W's complaint. The first is the time taken for the claim to be assessed and the damage to their property reinstated, which for the purposes of this decision, is from the date of the incident in August 2023 through to esure's final response in April 2024. Mrs P and Mr W say this is too long, with drying equipment still in their property at the date of their complaint to this Service in May 2024 (it was removed shortly afterwards). esure accept there have been delays in progressing the claim, awarding £200 compensation.

Other issues in the complaint include, specifically, the cost of the Christmas meal Mrs P and Mr W incurred because of the condition of their property at the time. There's also a specific issue with the replacement of undamaged kitchen units, which Mrs P and Mr W say is

necessary and for which esure have offered to cover 50% of the cost. Mrs P and Mr W also want esure to waive the £450 policy excess.

While I consider these are the main aspects of the complaint that I'll cover in this decision, there are other aspects that I won't consider, either because they have been resolved or are yet to be concluded. In respect of the first, from what I've seen Mrs P and Mr W have accepted settlement of the additional electricity costs due to the drying equipment (for a period of 237 days to May 2024).

In respect of the latter, at the time of esure's final response, a settlement of the claim was outstanding. Mrs P and Mr W also say this is in dispute. Mrs P and Mr W say they had difficulty obtaining quotes for the reinstatement work and the one quote they have obtained has been rejected by esure as too expensive. From esure's claim notes, a cash settlement offer was prepared in May 2024, following a further inspection of the property by D. And esure asked Mrs P and Mr W to obtain quotes from local contractors for the work. It also appears there is disagreement over the scope of the reinstatement work required – Mrs P and Mr W say the prolonged damp at their property and the need to remedy it means the whole kitchen needs replacement.

Given these circumstances, I agree that as a settlement hasn't been reached or agreed, this would be for esure to determine. Should Mrs P and Mr W be unhappy with esure's offer or settlement of the claim, they can make a separate complaint to esure.

Coming back to the issues I can consider, on the first issue, I've looked at the sequence of events, from the time of the escape of water in August 2023 through to esure's final response in April 2024. While the initial response was timely, in terms of D's inspection of the property and the identified scope of works, including that for drying and strip out, thereafter there have been significant delays in progressing the claim. So, while the initial drying was completed by the end of September (and esure provided a certificate of completion to that effect) drying equipment had to be re-installed in November 2023 and wasn't removed until towards the end of May 2024.

From what Mrs P and Mr W have said, and from esure's claim notes, there was also delay in removing a kitchen unit and treating the wall behind for damp and fungicidal application (this is referred to in Mrs P and Mr W's complaint to esure in November 2024). Looking at the claim notes of both D and esure, there appears to be little activity recorded on the claim from December 2023 through to April 2024, with the settlement apparently linked to the outcome of the complaint and what the reinstatement works would cover. It also seems communication between esure and D was limited during the period and esure had a different understanding of the situation from D, compared to that from Mrs P and Mr W.

Taking these points together, I've concluded there was a significant delay in progressing the claim from December 2023 to April 2024, the date of esure's final response (which esure appear to have also queried with D). And during this time drying work was ongoing. While escape of water claims are inherently challenging to resolve and a property dried and then reinstated, it's unclear why the drying process took as long as it did.

I've concluded these delays can reasonably be held to rest with esure and which would have caused significant distress and inconvenience to Mrs P and Mr W. I'll consider what esure needs to do to put things right after I've considered the other aspects of the complaint.

On the issue of the cost of the Christmas meal Mrs P and Mr W say esure should reimburse, I've considered what they've said carefully. I recognise that the condition of the kitchen and dining area, with drying equipment in place, would not have been an environment conducive to a Christmas meal Mrs P and Mr W would have wanted. However, the property remained

habitable and from the photographs provided by Mrs P and Mr W, most of the kitchen remained in place (although the floor covering was removed). So, I can't conclude esure should reimburse Mrs P and Mr W for the cost of the meal.

On the issue of the replacement of undamaged units, esure have offered to cover 50% of the cost (as part of their settlement of the claim). esure say their offer is fair, as Mrs P and Mr W's policy terms and conditions don't include cover for matching items. They refer to the following policy wording in the section headed *General exclusions which apply to this policy*:

"Other exclusions

We will not pay for loss, damage or any liability resulting from or consisting of

- ...any extra cost of altering or replacing any item or parts of an item which are not lost or damaged and which form part of a set, suite or other article, of the same type, colour or design including wall or floor coverings."*

I think this term is clear that any undamaged kitchen units that are replaced wouldn't be covered under the policy. As esure aren't obliged to cover these costs, then I've concluded their offer to cover 50% of any such costs is fair and reasonable. However, while I've reached this conclusion, it would need to be considered again as part of the settlement of the claim, including whether (as Mrs P and Mr W now contend) the whole kitchen would need to be replaced.

On the £450 policy excess, that is a condition of the policy and would apply to the settlement of any claim made under the policy. I appreciate Mrs P and Mr W want it waived because of the issues in the handling and progress of the claim, but I can't conclude it would be reasonable to require esure to do so as it's in the policy terms and conditions.

Having reached these conclusions, I've then considered what I think esure should do to put things right, in particular for the undoubted distress and inconvenience they've suffered during the period. In doing so, I've taken account of the fact that an escape of water and the damage caused would always have been stressful and caused a degree of distress and inconvenience. Mrs P and Mr W accept the nature of the incident meant they wouldn't have expected their property to have been reinstated by December 2023, given the need for the property first to be stripped out as necessary and then dried.

But it's clear there were significant, avoidable delays in esure's handling of the claim, particularly between December 2023 and April 2024, the date of their final response. Mrs P and Mr W point to the delay in esure's response to their complaint. However, complaint handling isn't a regulated activity that falls within the remit of this Service. However, in the specific circumstances of this case, it appears the complaint was in large part the reason for the lack of progress with the claim between December 2023 and April 2024. So, it's reasonable to take this into account when considering the delays and the consequent impact on Mrs P and Mr W.

I also recognise what Mrs P and Mr W have said about the impact of the delays and what happened on both them and their family. I recognise this, although our approach as a Service is to consider distress and inconvenience to the complainants themselves (Mrs P and Mr W) rather than others who may have also suffered distress and inconvenience. But this wouldn't preclude consideration of the distress and inconvenience experienced by Mrs P and Mr W from the wider impact on their family.

I've considered all these points in the context of the published guidelines from this Service on awards for distress and inconvenience. It's clear Mrs P and Mr W suffered considerable distress, upset and worry during the period through to esure's final response, with significant

inconvenience and disruption over a period of months, to the point of esure's final response. In the circumstances of this case, I think £700 compensation for distress and inconvenience is fair and reasonable.

My final decision

For the reasons set out above, it's my final decision to uphold Mrs P and Mr W's complaint in part. I require esure Insurance (Europe) Ltd to:

- Progress the claim to a settlement. Should this include an element for replacement of undamaged kitchen units, esure should include a contribution of 50% towards the cost of any such element. Should Mrs P and Mr W be unhappy with esure's settlement of the claim, they can make a separate complaint to esure
- Pay Mrs P and Mr W £700 compensation for distress and inconvenience.

esure Insurance (Europe) Ltd must pay the compensation within 28 days of the date we tell them Mrs P and Mr W accept my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr W to accept or reject my decision before 27 December 2024.

Paul King
Ombudsman