

The complaint

Mr L complains about Hill Mathieson Limited (“HM”)’s handling of his buildings insurance claim.

All references to HM also include its appointed agents.

What happened

What my findings consider

I’m aware Mr L has raised several concerns regarding what’s happened and about the claim at his property.

There are several parties involved due to the nature of the claim including the insurer (“O”), the local authority (“LA”) and Mr L’s property managing agent (“M”).

However, this complaint is against HM, and my findings only consider their actions and not of the other parties set out above. However, I may refer to the parties above in the context of delivering my findings, and my reasons for it.

The complaint concerns two claims. Mr L made the complaint in December 2023.

HM had 8 weeks from this date to provide a final response to Mr L’s complaint, but I can’t see HM provided Mr L with a final response letter following this.

My findings consider events up to the end of the 8-week period – so up to February 2024.

Below is intended to be a summary of the key points that form this complaint, it doesn’t contain a full timeline or list every point that been made.

- Mr L is the leaseholder of a rental property. Around July 2021 that property suffered water damage which was established to be due to a leak in the roof.
- Mr L registered a claim with the building’s insurer – O.
- In October 2021, HM were appointed to represent Mr L. HM contacted O.
- In December 2021, HM chased O for a response regarding the progress of the claim. Including about loss of rent for Mr L.
- O responded to say it had not received information it had requested from Mr L prior to HM’s involvement. This included details regarding which rooms at his property were affected and queries regarding loss of rent. As it hadn’t received a response to its queries from Mr L or M, it said it would not be authorising a loss of rent payment between July 2021 and October 2021 at that time.
- In January 2022, O did authorise a loss of rent payment for the period of November 2021 and February 2022 to be made to Mr L.
- O said it needed written confirmation from LA about the cause of the damage and a confirmation of what works were completed. LA provided a response to O regarding this in May 2022.

- Further loss of rent payments were authorised by O in June 2022 for February to July 2022. But it also asked for further clarification regarding work at the property.
- Works appear to have been ready to start, but a second leak was reported on the roof. A job report from the council said rain leaking into Mr L's property appeared to be due to a different issue than reported in July 2021. It says this issue was first identified around June 2022.
- Further loss of rent was authorised by O from August to October 2022.
- Mr L appointed HM to deal with a second claim on his behalf in January 2023.
- Mr L said he asked to continue to claim for loss of rent during the second claim.
- However, HM said it was informed by M that Mr L was intending to rent the property out so it did not pursue a loss of rent claim for this reason.
- In January 2024, O's loss adjuster confirmed to Mr L that the repair claim cannot proceed until the cause of damage had been rectified. It said it was chasing LA for a response regarding this.

Mr L made a complaint to HM in December 2023.

In summary, Mr L's complaint set out he was unhappy with the following:

- The time taken by HM to deal with the claim.
- Repairs were slow and badly handled by HM.
- Mr L said he and M voiced concerns to HM about how the claim was progressing on several occasions and he had to chase HM regularly for updates.
- Mr L said he has been unable to rent the property out and this caused him financial hardship. He said he didn't rent out the property until all the work was completed.
- Mr L said he was told by HM loss of rent would be claimed until the property was able to be rented out again. When the second claim was initiated Mr L said M made it clear they wanted HM to claim for loss of rent.

I can see Mr L has also raised with HM that he is unhappy he has not received a loss of rent payment for the period between July and October 2021, prior to HM becoming involved in the claim. I can see he has also raised concerns about charges HM have deducted from the payments it made to him.

In response to the above concerns HM said:

- It didn't agree that it hadn't progressed matters as it should have. It said it has needed to obtain authorisation for O payments/works to progress the claim and this has been further complicated due to having to liaise with LA.
- It said it obtained loss of rent payments for the first claim. It said O had asked for further information regarding the loss of rent claim for July to October 2021, but HM hadn't received this information from Mr L or M.
- Regarding deductions made from payments, HM said it has made deductions in line with the terms and conditions it agreed with Mr L. It provided a signed copy of the mandate Mr L signed for both claims.
- HM said when the second claim was initiated M had informed them that Mr L was not making a loss of rent claim as they intended to rent out the property.

Our investigator's view of the complaint

Our investigator said they considered matters up until the final loss of rent payment was made to Mr L in January 2023. They didn't recommend the complaint be upheld.

They acknowledged there had been delays in the journey of the claim, but they didn't think these had been caused by HM. They thought from the evidence available, HM had tried to progress matters as best as they could.

HM agreed with our investigator's view of the complaint.

Mr L didn't agree. He felt HM were responsible for him losing rental income on the property, due to the length of time it took them to deal with the claim.

He said it failed to sort the leak that was causing the problem and he was still trying to get this repaired.

He reiterated about the loss of rent payments for the second claim and that he was told he would be paid loss of rent until repairs were completed.

Mr L asked for an ombudsman to review the matter. So, the complaint has now passed to me.

My provisional decision

I issued a provisional decision on 18 October 2024. In my provisional findings, I said:

"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 do not intend to uphold the complaint for these reasons:

- *I can see from correspondence that HM raised the unpaid loss of rent from July to November 2021 with O.*
- *It has provided proof of O's position that it had not accepted liability for loss of rent for this period – and that Mr L or M and not provided a response to its chasers or requests for more information. I can HM did try to clarify matters with O.*
- *I also see HM has passed this information regarding O's position to Mr L, but I've not seen anything which shows further detail was provided to HM about this issue for it to provide back to O. So, I think HM have done what I would expect here.*
- *Regarding the progress of the claim, following HM's initial contact to O, it confirmed the claim had been closed due to Mr L and M not responding to its chasers for contact.*
- *I can see the claim was reopened following HM's involvement and a visit from the O's appointed adjuster took place in January 2022.*
- *While I appreciate this was around three months after HM become involved in the claim, I've not seen any evidence that persuades me this delay was due to HM. HM contacted the insurer when it received the signed mandate from Mr L for the first claim and I can see it chased O within a reasonable timeframe when it hadn't received a response.*
- *In January 2022 O said it needed written confirmation of the cause of damage before being able to proceed further with the claim – which was required from LA. I can see both HM and O's adjuster contacted the LA and regularly chased it for a response.*
- *O's adjuster confirmed it received this in May 2022. So again, I don't think HM caused any avoidable delays here. It chased LA for this information in order to allow the claim to progress, which again is what I would expect it to do.*
- *I can also see HM obtained loss of rent payments for the first claim and followed up about these regularly with O.*
- *Unfortunately, a further leak on the roof of the property occurred around June 2022. I've seen a job report from LA which confirms this was due to a broken stack pipe being reported on the roof. Although this issue has presented itself in Mr L's property*

in a similar way, water leaking, particularly during rainfall, this was a different issue to the one reported to be causing issues in July 2021.

- I've not seen any evidence works carried out to any areas of the roof are to do with HM. I'm aware there have been persistent issues reported by Mr L, but I've not seen any evidence works instructed by HM were responsible for any leaks or further issues that arose from them.*
- As of January 2024, O's loss adjuster set out its position was still that it had not been able to proceed with the claim and that it still needed further detail regarding the cause of damage from LA.*
- When a further claim was registered in January 2023, Mr L said he wished for HM to pursue a claim for loss of rent. But HM said it didn't do this as it spoke to M around this time, and they confirmed the property was going to be rented out.*
- I've not seen any evidence, from any party, showing what discussions took place about loss of rent at the time the second claim was initiated. However, I have seen screen shots of text messages between Mr L and M discussing someone renting the property and how much the rent would be.*
- Mr L has also mentioned in submissions to our service that someone had rented the property at a later date and terminated their contract when referring to an email from O's adjuster in January 2024 regarding the claim not progressing.*
- Based on the evidence available, I think it's more likely than not HM was told the intention was to rent the property out. So, I don't think HM acted unreasonably in not pursuing a claim for loss of rent with O.*
- However, if Mr L believes a valid claim for this exists, he may consider querying this with the insurer, O, directly.*
- I can understand Mr L has queries with the fees he has been charged by HM. It's not unusual a representative will charge fees for its services in a settlement. HM has provided a copy of the mandates signed by Mr L for each claim, with a copy of its terms and conditions. Having reviewed this, I've not seen anything that persuades me HM has acted unreasonably.*
- In summary, I appreciate the position Mr L has found himself in. Claims such as these can be complex, frustrating and take some time to resolve. For this he has my natural sympathy. However, as I've set out above, my findings are regarding HM's actions and whether it has treated Mr L fairly in representing him in the management of the claim. Having considered everything available to me, I'm not persuaded it has acted unfairly and so I don't intend to uphold the complaint."*

Responses to my provisional decision

HM didn't respond to my provisional decision.

In response to my provisional decision, Mr L provided further comments.

In doing so, he has reiterated his points about HM, its handling of the claims and that it should have pursued a LOR payment for the second claim.

In summary Mr L has made the following points:

Mr L said the mandates he signed with HM were identical so it should have pursued a claim for LOR for the second claim.

He said neither he, nor M, ever asked it not to pursue a claim for LOR. Mr L said if HM was in any doubt about making a LOR claim it should have asked him directly, not M. He provided screen shots of messages between himself and M that he says supports this.

He said it was logical HM pursue a claim for LOR as it was responsible for the property remaining unavailable to rent due to lengthy ongoing repairs.

He said throughout the second claim he was chasing a LOR payment from HM but was ignored.

Mr L also reiterated the work carried out by HM being of poor quality. He said repair works were slow and badly done – and the leak returned only a month after new tenants moved in, causing further damages to walls and ceilings. Meaning he had to make a third claim.

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 reconsidered all the available information along with all of Mr M's additional comments and submissions, but it doesn't change my decision – or my reasoning.

Mr L previously provided copies of the mandates he signed instructing HM. Neither of these specifically mention a loss of rent claim. So, I'm not persuaded by the point Mr L has made here.

I've considered the screenshots of the text messages Mr L has provided, in which him and M discuss the LOR issue. But these are from around November 2023, which was around 10 months after the second claim was initiated.

As I've said in my provisional findings, I've not seen any evidence, from any party, showing what discussions took place about loss of rent at the time the second claim was initiated. The only information I have from around that time are the text messages between Mr L and M discussing someone renting the property and how much the rent would be.

So based on that, I think it's more likely than not HM was told the intention was to rent the property out.

So, I don't think HM acted unreasonably in not pursuing a claim for loss of rent with O.

However, if Mr L still believes a valid claim for this exists, he may consider querying this with O directly.

As also addressed in my provisional findings, I've not seen any evidence the length of time the claims have taken was because of HM or the work it carried out at Mr L's property (or put another way, that HM has caused avoidable delays).

The proximate cause of the damage appears to be linked to the roof of the property – where unfortunately there appears to have been multiple leaks that have occurred in similar areas of the property consecutively.

I've not seen any evidence HM were responsible for these works. From job sheets from LA provided by both HM and Mr L, this seems to be responsibility of other parties.

HM do appear to have been responsible for internal works, but I've not seen anything that persuades me the work it carried out inside the property caused further leaks.

My final decision

My final decision is that I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 December 2024.

Michael Baronti
Ombudsman