

## **The complaint**

Mrs M has complained about how AA Underwriting Insurance Company Limited (AA) dealt with a claim under a home insurance policy.

## **What happened**

Mrs M contacted AA to make a claim following a water leak at her home. AA started to deal with the claim. Mrs M later complained about the progress of the claim, including that she hadn't received reports and documents related to the claim and that there was mould in her property.

When AA replied to the complaint it upheld it. It said there had been lengthy delays due to contractors being able to submit their costs on the system. Mrs M had to call the claims teams several times to get this resolved. It said this should have been addressed earlier to move the claim forward and so the drying could start. It also acknowledged Mrs M's health concerns and the concerns about mould. It offered £150 compensation because of the issues with the service provided.

Mrs M complained again about the progress of the claim. When AA replied, it said it hadn't identified any further avoidable delays in the claim since its last complaint response. It said it was frustrating for Mrs M to have to wait for a contractor, but she had been offered the option of a cash settlement or to use AA's contractor and had been advised of the delay with pre-assessment checks. However, the claims team hadn't responded to all the issues Mrs M had raised and so she had to email several times before the issues were addressed. It offered £100 compensation for the service issues.

Mrs M brought her complaint to this Service. AA reviewed the complaint again and said it could increase its compensation offer to a total of £400. Our Investigator looked at the complaint and upheld it. She said there were some avoidable delays during the claim. Mrs M also had to chase for responses for some issues she raised. She said the total of £400 compensation AA had now offered was reasonable in the circumstances.

Mrs M didn't agree the compensation was reasonable, including because some of the issues remained ongoing. So, she asked for the complaint to be referred to an ombudsman.

## **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.

Having done so, I uphold this complaint. I will explain why.

I should note that this decision is only looking at the issues raised up to the date on which AA issued its second complaint response, which was in November 2023. I'm aware Mrs M continued to be concerned about the claim. However, issues after November 2023 don't form part of this decision.

Mrs M first reported her claim in June 2023. Just over two weeks later, a surveyor visited. It was also confirmed that drying was required at the property and a company was appointed to do this. The drying company tried to submit its costs but due to a system issue, it took a few days to do so. Once these were received, AA appointed a strip out company as the drying company's report said this would be required. Work also started on the scope of works but another system issue seemed to prevent this from being completed and the costs being approved.

Based on what I've seen, I think there were avoidable delays during this part of the claim, including because of the system issues. Mrs M also had to chase for progress and was concerned she hadn't been sent the surveyor's report or the scope of works, both of which she had requested. Although I can see that the arrangements to carry out the strip out work and drying seemed to progress, this was delayed and didn't start until about three months after the claim was first made. Although I wouldn't have expected it to start immediately, I think there was an avoidable delay in the drying starting. I'm aware Mrs M was also concerned about the mould in her property, including because she had a specific health issue. Mrs M was, understandably, keen for the drying to start as soon as possible.

When Mrs M complained again, she was still concerned about the claim progress. Looking at the records, I can see that the strip out works and drying were completed during this time and drying was signed off as complete at the end of September. About two weeks after this, AA emailed Mrs M to tell her there would be a delay of six to eight weeks before its contractor could carry out the pre-work assessment. I don't think it was particularly unusual that, when drying was complete, reinstatement works didn't immediately start. However, I can understand Mrs M was of the view that there was a lack of urgency or focus on her claim. I'm aware AA also offered a cash settlement for the claim if Mrs M didn't want to wait for the contractor to be available. However, given Mrs M was still waiting for responses to her queries about the scope of works, including that items had been missed and others weren't like for like, I think it was difficult for her to accept a cash settlement at that time.

Mrs M also told AA it should cover the £500 policy excess as a gesture of goodwill. Looking at this, the policy documents said there was a £500 excess payable for the claim. So, I don't think AA needed to cover this. When Mrs M took out the policy, it was an agreed part of the terms and conditions that this was the amount she would pay for this type of claim.

I'm aware there will always be a certain level of inconvenience caused by the need to make a claim in the first place. I'm also aware that with a claim like this it can be time consuming to do work such as drying a property and creating a scope of works, as well as appointing contractors, who aren't always immediately available. However, I think there were some avoidable delays, including that the strip out works and drying took about three months to start. I think by the time of the second complaint, the claim was progressing better but Mrs M's concerns about the scope of works weren't responded to in a timely way.

AA initially offered Mrs M £250 compensation across the two complaints. When Mrs M complained to this Service, AA increased its offer to £400. Thinking about this, I think AA's revised offer of £400 is fair in the circumstances to reflect the avoidable delays and issues during this part of the claim. I think what AA has offered is in line with the amount I would have said it should pay had it not already done so. So, I think it's fair that it pays this amount for the issues with the claim during this period.

### **My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. I require AA Underwriting Insurance Company Limited to pay Mrs M a total of £400, which includes the £250 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 December 2024.

Louise O'Sullivan  
**Ombudsman**