

The complaint

Mrs W has complained about damage caused by contractors working for Ocaso SA, Compania de Seguros y Reaseguros (Ocaso) during a claim under a block insurance policy.

Mrs W is represented during her complaint but, for ease, I will normally only refer to her.

What happened

Mrs W made a claim for an escape of water. Ocaso accepted the claim and arranged for repairs to be carried out to her property. As the work was coming to an end, the contractors found that a wire wasn't working correctly. So, the contractors smashed a tile on the bathroom wall to access the wire.

Mrs W complained. She said the contractors hadn't told her they were going to do this. The wire could also have been accessed through the ceiling. She said the tile couldn't just be replaced. The contractor wanted to use a white tile. But her tiles weren't white and they were no longer made, so she couldn't buy a like for like replacement.

When Ocaso replied to the complaint, it didn't uphold it. It said a tile had been damaged due to poor workmanship. This was down to the work of the contractor. It said Ocaso didn't need to deal with the issue, the contractor needed to do so. It said the policy excluded any damage caused by poor workmanship.

Mrs W brought her complaint to this Service. Ocaso later reviewed what had happened again. It wrote to Mrs W and said its contractor had said the cost of replacement tiles was £500. It said that because of the time that had passed, the cost was now probably higher. So, it offered £1,000 as a final settlement. Mrs W didn't accept the amount offered because she said it was nowhere near the cost of the work required.

Our Investigator reviewed the complaint and upheld it. She said Ocaso's loss adjuster had said the damage to the tile could have been avoided. The contractor was appointed by Ocaso, so Ocaso was responsible for putting this right. Mrs W's quote included an entire bathroom replacement, which Ocaso didn't need to pay for. But it needed to leave Mrs W with a bathroom with matching wall tiles. So, she said Ocaso should replace all the wall tiles on a like for like basis. She said Ocaso should consider Mrs W's quote for the work and offer a settlement to replace all the wall tiles only. She said there were also delays in progressing the claim and in steps being taken to try and resolve the issue with the tile. So, she said Ocaso should also pay Mrs W £500 compensation.

Ocaso didn't agree. It said it didn't think all the tiles needed to be replaced and had also made an offer to resolve this. So, the complaint was referred to me.

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.

Ocaso's contractor deliberately smashed a bathroom tile while carrying out work at Mrs W's property. Looking at the claim records, Ocaso decided it wasn't claim related damage and it also wasn't unavoidable damage. In its internal discussions, it said it wasn't for Ocaso to deal with this and, instead, the contractor needed to resolve it. When it responded to the complaint, Ocaso told Mrs W it wasn't its responsibility to deal with the broken tile and that she needed to discuss it with the contractor.

Ocaso was responsible for dealing with the claim and for appointing the contractors who carried out the work. The quality of the work carried out by the appointed contractors and any workmanship issues were for Ocaso to address. I don't think it was fair for Ocaso to decide it had no responsibility for the work carried out by its contractor and to leave it to Mrs W and the contractor to resolve any problems. I also don't think it was fair for Ocaso to try and rely on a term in the policy that said it didn't cover poor workmanship. The tile wasn't damaged as part of the circumstances that led to the claim. It was damaged by its contractor while carrying out the repairs. Ocaso has also said the damaged tile was avoidable. So, I think it needs to put right the issues caused when its contractor smashed the tile.

In my view, Ocaso needed to put Mrs W back in the position she was in before the tile was smashed, which was that she had a bathroom with matching wall tiles. The contractor looked at whether it was possible to buy the same tile that had been smashed and to fit that. But, the tiles were no longer available. The contractor offered to fit a white tile to replace the smashed tile. However, as the other tiles weren't white, I don't think this was an acceptable solution because it wouldn't match the existing tiles. It also considered whether it could retile one wall only, which Mrs W didn't find acceptable because she would then have mismatching walls.

I'm aware Ocaso's contractor also looked at the option of using a tile from behind the wet wall and then replacing the wet wall. It assessed this would cost about £500. However, looking at the records, I haven't seen evidence that it discussed this with Mrs W or offered her £500. Much later, Ocaso offered £1,000 to try and resolve the issue. This seemed to be based on it deciding that, due to the passage of time, £500 was unlikely to be enough to cover the cost of the work. Although I think it was reasonable to think costs would likely have increased, I don't think this showed that Mrs W would have received a sufficient settlement to ensure her reasonable costs to carry out the work were covered.

Ocaso had the opportunity to find a solution to the issue caused by its contractor and decided it didn't need to get involved with finding a resolution. The solutions put forward by the contractor didn't seem to be viable and also didn't always seem to have been put to Mrs W. So, based on what I've seen, I think it's reasonable for Ocaso to pay to replace all the bathroom wall tiles only and on a like for like basis. This will mean Mrs W has matching tiles in her bathroom, which is what she had before the contractor smashed the tile. I think it's fair for Ocaso to consider a quote from Mrs W for the replacement of the bathroom wall tiles only and for it make an offer to Mrs W to pay for their replacement.

I've also thought about compensation. From what I can see, the claim started in April 2021 and, after some delays, the work began in 2022. As the work was coming to an end, the tile was smashed. It then took until August 2023 for the contractor to decide that it could offer £500 for the damaged tile, although, as I've said, I can't see evidence this offer was put to Mrs W. During this time, Ocaso refused to take any responsibility for the damage and then in October 2024, over three years after the claim was first opened and more than two years after the tile was damaged, it offered £1,000 to address the issue. I think this had been an unnecessarily prolonged process and there was a lack of engagement to try and resolve the

issue. I think this caused Mrs W inconvenience over a prolonged period of time. So, I think it is fair for Ocaso to pay Mrs W £500 compensation to recognise the impact on her.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Ocaso SA, Compania de Seguros y Reaseguros to:

- Pay Mrs W a settlement to replace the bathroom wall tiles only like for like. It should consider a quote for the work to be provided by Mrs W and make an offer to her.
- Pay Mrs W £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 17 January 2025.

Louise O'Sullivan
Ombudsman