

The complaint

Mr B complains about repairs carried out by Accelerant Insurance Limited after making a buildings insurance claim.

Any reference to Accelerant includes the actions of its agents.

What happened

Mr B's property is covered under a block buildings insurance policy. In August 2022, a pipe burst that caused flooding to the ground floor of his property. The pipe was repaired, and Mr B made a claim under the policy.

Accelerant accepted the claim. Before the repairs started, Mr B asked if he and the contractor could split the work, with him doing the laminate flooring, tiles, skirting and painting. Accelerant agreed to this and paid Mr B £3,568 for this work.

Accelerant then arranged for its contractors to remove the existing flooring and replace this. However, Mr B was unhappy with the quality of the repairs. He also said that when the repairs were taking place, the walls were left with no support, and he noticed cracking in the house soon after (as well as doors not closing properly). Mr B also said the kitchen worktop and units were damaged by Accelerant's contractor, as well as wall tiles and skirting.

Mr B obtained some quotes, but Accelerant didn't agree with the schedule of works. It arranged for a chartered surveyor (Mr D) to carry out an inspection, and it was thought it would cost £1,053.90 (less the £100 excess) to put right the issues it had identified, so it paid him this amount.

Mr B was unhappy with this amount, and arranged for a chartered structural engineer (Mr M) to carry out an inspection. Accelerant then also arranged for a chartered structural engineer (Mr F) to carry out an inspection. The inspections didn't alter Accelerant's decision though, and it remained of the view that £1,053.90 was a fair cash settlement. Mr B therefore brought a complaint to this service.

Our investigator recommended the complaint be upheld. He thought the settlement of £1,053.90 was too low as this had been based on the contractor rates Accelerant was able to pay, rather than the cost to Mr B. However, he thought the quotes provided by Mr B included repairs that weren't Accelerant's responsibility. So, our investigator recommended that Accelerant arrange the necessary repairs, or offer a cash settlement based on the amount it would cost Mr B to do the work. He also recommended Accelerant pay Mr B £500 compensation for its handling of the matter.

After further mediation between Accelerant and our investigator, Accelerant offered to increase its cash settlement offer to £3,080.17, less the previous payment made to Mr B of £953.90 (this was the £1,053.90 minus the £100 excess). The settlement amount of £3,080.17 was for: – taking up and renewing the chipboard flooring, stripping out around the edges, refitting the chipboard, supply and fitting of a new kitchen base unit, removal and the refit of wall tile, repair any cracking to non-load bearing partitions on the ground floor, and

review the worktop to see if a repair was needed.

Accelerant also offered to increase its previous payment of £3,568 (for the laminate, tiling, skirting and painting) by 20% for outside contractor rates, so it would pay Mr B a further £713.60. Finally, it agreed to pay Mr B £500 compensation, and cover the cost of a skip. Though Accelerant was happy for Mr B to arrange for his own contractor to quote for the above items.

Our investigator thought the repairs set out above correctly reflected the work that was needed. He said that Mr B could arrange for his own contractor to quote for this work, or he could arrange for Accelerant to do the work. However, he said if Mr B refused to allow Accelerant to do the work, then Accelerant could cash settle based on the amount it had offered (plus the cost of repairing the worktop, and hiring the skip).

I issued a provisional decision on 12 November 2024. Here's what I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

Flooring

Mr M said the new chipboard flooring had been installed short of the perimeter and internal walls. There was no evidence of any timber battens being installed as was standard practice with a floating floor. He said that because of this, the new chipboard visibly sags and moves, which had a detrimental impact on the existing partitions. He thought the workmanship was questionable. Mr M recommended the floating floor installation be removed and replaced, with timber packing placed under partitions, perimeter walls and doorways - which he said would meet the technical standards for floating floors.

Mr F said the remedial works had been undertaken to a poor standard, as there was significant flexibility in the floating floor around the perimeter, and the joints in the boards appeared to be spreading in places, suggesting lateral movement. He recommended the non-load bearing partitions were packed off the concrete slab and fixings put in place (such as brackets to the concrete slab) to provide appropriate vertical and lateral support, and said the perimeter of the floating floor required work to stabilise it.

Mr M later carried out a further inspection and said the internal partitions may need to be propped to allow for the installation of the structural timber supports at the base.

Mr D has provided photos of the original flooring and has made the point that there weren't any timber supports to the original floating floor. However, Mr B says there was never any issue with the flooring before the flooding incident, and Mr M and Mr F both concluded that there was poor workmanship after the repairs and that the non-load bearing walls needed packing under them. When an insurer carries out repairs, I'd expect them to be effective and lasting. Mr M has said timber packing is required to meet the technical standards for a floating floor, so I think the contractor ought to have done this.

It's apparent that Accelerant's contractor's repairs of the ground floor were to a poor standard, and need to now be put right.

Cracks to first floor and ground floor non-load bearing walls

Mr M thought there had been structural movement because there were cracks visible to partitions on the first floor with dropped door lintels. He thought the movement was due to Accelerant's repairs of the ground floor.

Mr F said there were no major structural concerns at the property. He thought there was evidence the building had moved since it was initially constructed, based on cracks to a load bearing internal wall and render to the exterior of the property. However, he said this was minor and there was no evidence that it was the result of the flooding. Mr F thought the cracks in the ground floor non-load bearing partitions may have been the result of the flooding, but he thought it was more likely they were related to Accelerant's repairs of the ground floor.

Mr D said he did not see how the removal of flooring from the ground floor from a non-load bearing wall could cause structural movement to the floors above. He also noted Mr B had carried out his own previous repairs to the flooring on the first floor, and this was directly under where the cracking was visible. Mr D thought the cracks to the first floor were due to Mr B's poor workmanship, rather than the work that had taken place on the ground floor.

The experts don't all agree on the cause of the cracks to the first floor. Mr F explained in his report that the property is a two-storey timber kit construction, and the load bearing elements of this (including a single load-bearing internal wall separating the living room and kitchen) were erected onto a concrete slab. The floating floor was then installed directly on the concrete slab, and the other walls which were non-load bearing were installed on the floating floor.

Taking this into account, I can understand Mr D's point that the removal of the flooring beneath the non-loading bearing walls shouldn't have caused any movement to the first floor. Mr D had also attributed the cracks to the first floor to work that was carried out by Mr B a few months before the flooding incident.

So, although Mr M thought the cracks to the first floor were due to Accelerant's repairs, it seems he wasn't aware of Mr B's repairs to the first floor directly beneath the cracking. Mr F and Mr D didn't think the cracks to the first floor were caused by the ground floor repairs, and so on balance, I don't think the evidence supports that this damage was caused by Accelerant.

However, Mr F thought the cracks to the ground floor non-load bearing partitions were likely caused by Accelerant's repairs (as he said these had been undermined by the removal of the floating floor, leaving them with questionable support). I therefore intend to require Accelerant to cover the cost of filling in the cracks to the ground floor non-load bearing partitions.

External walls

Mr M's first inspection took place in February 2023, and then he revisited in April 2024 as Mr B thought there had been further movement to the property. Mr M confirmed there had been movement to the external walls, and said this was evident around the rear window and door frames. He thought the inner leaf timber kit had settled due to a lack of support at ground level, which he thought was associated with the ground floor removal and reinstatement. He also noted that external window cills had rotated due to the settlement and there was cracking around door openings. Mr M recommended the re-setting of window and door frames.

Accelerant's loss adjuster responded to Mr M's report with comments from the surveyor (that I assume is Mr D, but Accelerant can correct me if I'm wrong). Mr D said he disagreed with Mr M's conclusions. He said the internal kit was built off the existing concrete slab and therefore even if the floating floor was removed and reinstated, it would have no impact on the kit.

I think Mr D raises a reasonable point here. It's not clear how the floating floor would affect the external walls and windows when the load bearing walls are built off the concrete slab which was unaffected during the repairs. Mr M hasn't gone into any particular detail about this. So I don't intend to require Accelerant to cover the cost of putting right this damage.

However, Mr B is of course welcome to obtain Mr M's comments on this, and I'll reconsider any further comments I receive before making a final decision.

Kitchen

During the ground floor repairs, Accelerant's contractor damaged one plain white wall tile, as well as the back of a base unit. Accelerant accepts this needs to be put right, and I would agree.

Mr B says the kitchen cabinets have been fixed to the walls by Accelerant's contractor in such a way that they can't be dismantled without damaging them. Though I note that in the most recent quote from Mr B's contractor (which I'll address later), they thought they could remove and reinstate the same kitchen.

Mr B also says the worktop was damaged by Accelerant's contractor and fixed with silicone to the tiles in such a way that it would make it seem as though the flooring was level. Again, his contractor hasn't mentioned anything about a broken worktop. However, if there is an issue found with the worktop once his contractor begins repairs, then he can raise this with Accelerant at the time.

Cash settlements and quotes

Accelerant paid Mr B £3,568 for the laminate flooring, skirting, tiling and painting. This was based on the amount it would have cost Accelerant's contractor to do the work at the time. However, Mr B intended to do the work himself and asked for the cash settlement. Accelerant therefore only needed to pay Mr B the amount it would have cost it to do the work. So I think Accelerant paid him the correct settlement for this work at the time.

However, I understand that Mr B no longer wants to do this work himself, in part due to the increased cost of materials. Although Accelerant offered a further £713.60 towards this, it seems this isn't enough for Mr B to arrange for a contractor to do the work, which I've addressed below.

Whilst I appreciate it was Mr B who initially requested the cash settlement, given that the work has been significantly delayed due to Accelerant's own contractor's poor workmanship to the ground floor, I think Accelerant should cover this cost (though it can of course deduct the £3,568 from the payment).

Accelerant said Mr D had estimated that putting right the previous repairs to the ground floor would cost £1,053.90, and paid him this amount (less the £100 excess). This was apparently based on the cost of the work charged by Accelerant's contractors (though I haven't seen any evidence of how the figure was reached), and didn't take into account Mr M or Mr F's findings. So I agree with our investigator this wouldn't be a fair amount.

Mr B (understandably) doesn't want Accelerant's contractors to do the work, and wants to arrange this through his own contractors. As it was Accelerant's contractor's poor workmanship that has led to this situation, I find that Accelerant ought to pay a cash settlement based on the amount it will cost Mr B to do the work.

Accelerant recently increased its cash settlement offer of £1,053.90 to £3,080.17. It seems the additional £2,026.27 has simply been based on the figure it deducted from its original contractor for the poor workmanship. This is significantly less than Mr B has been quoted.

In January 2023, Mr B was quoted £11,470. In April 2023, Mr B was quoted £10,145, though this included repairs to the first floor. Then in July 2023, Mr B was quoted £22,411.10 (including VAT).

Our investigator didn't think these quotes were reasonable, as he thought they included unnecessary works (including the use of Arco props to lift the ground floor partitions). However, since then, Mr M has said that the non-load bearing partitions may need to be lifted.

In April 2024, Mr B obtained two more quotes from the same company that provided a quote in July 2023 (to take into account the rising cost of materials, but no longer includes VAT). One quote is for £15,640 and this is for the ground floor works. The other quote is for £6,225 which is the cost of the laminate flooring in the lounge, with the remainder of the ground floor being tiled. We've shared these quotes with Accelerant.

I've checked the original schedule of work, and it seems it was only the lounge that had laminate flooring, with the rest of the ground floor having tiles. The figure of £6,225 (which doesn't include skirting or painting) is much higher than the total amount of £4,281.60 (£3,568 plus £713.60) paid/offered to Mr B, and so I intend to require Accelerant to cover this cost (minus the £3,568 already paid to him).

I've checked the quote for £15,640, and I think this seems reasonable. It doesn't include re-setting the window frames or doors, or any work to the first floor. And it isn't much higher than the cost of the original schedule of works, which was over £10,000, but includes the higher cost of materials and that packing is needed under the non-load bearing partitions (and the associated costs of this). So I intend to require Accelerant to pay this, less the £1,053.90 already paid to Mr B, which includes the excess.

Distress and inconvenience, and other costs

Our investigator recommended that Accelerant pay Mr B £500 compensation. However, I intend to increase this to £1,500. That's because it was Accelerant's poor workmanship that has caused the problems. Although Accelerant offered Mr B £1,053.90 soon after he complained, it's clear this amount was completely inadequate to put right the repairs. Mr B and his wife have had to live with an unfinished ground floor for some time, as a result.

I understand Mr B has paid for some of his contents to remain in storage since the previous repairs were carried out. He says he didn't want to put them on the flooring, in case it damaged his furniture. However, I can't see how the flexibility in the perimeter of the floor would damage furniture. So I don't intend to require Accelerant to cover this cost.

I can understand why Mr B arranged for Mr M to carry out an inspection in 2023. He had been offered £1,053.90 by Accelerant which was far less than he'd been quoted for the repairs, and his contractors told him he'd need a structural engineer's report before the repairs could start. Mr B also arranged for Mr M to carry out a second inspection in 2024. Although this hasn't changed anything in respect of the repairs, Mr M did address the point about props being needed for the non-load bearing partitions, which I'm now telling Accelerant to cover. So I intend to require Accelerant to reimburse Mr B for the cost of both Mr M's reports, plus interest.'

I asked both parties for any further comments they wished to make before I made a final decision.

Accelerant responded to say that, whilst it didn't agree with my provisional outcome, it had already submitted all evidence to support its reasoning.

Mr B responded to say he accepted my provisional findings.

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 neither party has provided me with any further comments to consider, I remain satisfied that the complaint should be upheld, and for the same reasons as set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require Accelerant Insurance Limited to do the following:

- Pay £15,640 for the ground floor work (less £1,053.90 already paid, which includes the excess)
- Pay £6,225 for the flooring (less £3,568 already paid)
- Pay £1,500 compensation.*
- Reimburse Mr B for the cost of Mr M's reports. Interest should be added at the rate of 8% simple per annum, payable from the date the invoices were paid to the date of settlement.**

*Accelerant must pay the compensation within 28 days of the date on which we tell it Mr B 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 Accelerant considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 December 2024.

Chantelle Hurn-Ryan
Ombudsman