

The complaint

Ms M complains about how Ageas Insurance Limited (“Ageas”) dealt with a claim she made on her home insurance policy. In particular the length of time taken to resolve her claim.

Ageas are the underwriters of this policy, i.e. the insurer. Part of this complaint concerns the actions of its agents. Since Ageas accept it is accountable for the actions of the agent, in my decision, any reference to Ageas includes its agents.

What happened

Ms M has home insurance with Ageas. The policy ran from June 2022 and provides cover for the cost of repairing or rebuilding the home if it is damaged or destroyed due to certain unforeseen events; such as a storm, or an escape of water.

Ms M contacted Ageas in September 2022 to report a claim for water damage to her property following a leak from her neighbour’s property. Ageas appointed a company to validate and deal with the claim.

After a number of delays Ageas agreed to cover the repairs. It provided dehumidifiers to dry the property out and produced a scope of necessary works.

Ms M has made a significant number of calls to Ageas in order to resolve the matter. She says there have been numerous appointments cancelled, Ageas has failed to call her back, and she’s had to go over the same information time and time again. Ms M cares for her vulnerable daughter and Ageas have been aware of this from the outset. Ms M was unhappy with how her claim was being dealt with and so complained to Ageas.

Ageas accept there were occasions where there were avoidable delays in the progression of the claim. It also accepts there were cancelled appointments and long call wait times. It said it has a duty to validate the claim and ensure it is settled fairly and in line with the terms and conditions of the policy. Ageas paid Ms M £100 to reflect the distress and inconvenience caused to her. Ageas also offered Ms M £750 for attempting to cash settle the claim after she had already waited a significant period of time for it to be resolved.

Ms M wasn’t satisfied with the response from Ageas so referred her complaint to this service. One of our investigators looked into things for her. She said she thought the payment of £750 was reasonable in the circumstances. She also said Ageas had agreed to cover the cost of tanking and so she said she thought Ageas had done enough to resolve the complaint.

Ms M didn’t agree with the investigators view. The complaint was reviewed again and the investigator said it was clear the claim has impacted every aspect of her and her daughter’s life for a considerable period. So they recommended an increased payment of £500, taking the total award for the distress and inconvenience caused to £1,350. Ageas agreed this was fair.

Ms M didn't agree. She said she experienced delays from the outset of the claim, was unable to prepare food at home due to the dust and noise, and she was unable to invite people to her home. Ms M says she spent time collating evidence, contacting the insurer, contacting builders in order to progress her claim which has impacted her mental health over a two-year period.

My provisional decision

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said:

"Having done so I'm upholding Ms M's complaint – and for much of the same reasons given by the investigator. My decision will comment on matters to 23 November 2023 and within the scope of the investigator's view. I've explained my rationale below, but before I do I want to acknowledge that I've summarised events in my own words and in far less detail than what's been provided to me. If I've not mentioned anything it's not because I haven't considered it – I've carefully reviewed the evidence submitted by both parties. Instead I've focused on the key elements of the timeline, and what I consider to be the crux of the complaint – in line with our remit as a quick and informal alternative to the courts. No discourtesy is meant by that, nor is it my intention to minimise in any way what Ms M has been through.

A claim of this nature, where significant drying-out is required before repairs can begin, was always likely to be disruptive and stressful for Ms M. Ultimately the leak resulted in conditions giving rise to this claim. But I've had to decide what impact Ageas has caused over and above what might reasonably be expected, through its case handling.

Initial delays

The repairs took longer than originally anticipated – there is no dispute about that. There are various reasons for this including the original contractor not being able to carry out the work, and the initial confusion over whether the claim was proceeding or not.

The relevant industry rules say an insurer should handle claims promptly and fairly. Ms M reported her claim in September 2022. But Ageas didn't contact her to inspect the damage. So she contacted Ageas again the following month – during that call Ms M expressed her dissatisfaction that her claim hadn't progressed. A surveyor wasn't appointed until the end of December 2022 and didn't come out to inspect the damage until January 2023 - so it's clear there were delays at the outset of the claim.

Delay starting the repair

Ageas chose to settle the claim by repair and so I'd expect it to indemnify Ms M by carrying out an effective and lasting repair. To be effective the repair must fully put right the damage, and to be lasting it must do so for an appropriate amount of time. So, given the tanking was necessary in order for Ageas to carry out an effective repair I'm pleased to see it agreed to cover those repairs.

The contractor appointed by Ageas wasn't able to carry out the tanking work and so Ageas offered Ms M a cash settlement instead of carrying out the repairs. Ms M declined the settlement and so Ageas sought an alternative contractor. While I would have expected Ageas to do this, unfortunately, it led to further delays so I'm upholding this part of the complaint.

Claim excess

Ms M was expecting that her excess would be reimbursed since Ageas could recover it from her neighbour.

Excess is defined in the terms and conditions of the policy as, “the first amount of any claim which you are responsible for.” This means Ms M’s excess is always payable where she is making a claim on her policy. Terms like these are commonly used in the industry and I think its use here is fair.

What this means in Ms M’s situation is that where she’s suffered damage to her home, she is required to pay her excess to her insurer. The insurer pays for the repairs to her property. If Ageas is able to recover the excess from a third party it can do so. And if it successfully completes its recovery of money, it can then refund Ms M if the terms and conditions allow.

From what I’ve seen the water ingress from the neighbour was from a leaking pipe and the neighbour was away at the time. Ageas considered it wasn’t an act of negligence and so wouldn’t be able to recover any costs from the neighbour’s insurer. So Ms M won’t receive her excess back.

And I think the policy wording is clear that she will need to pay her excess for any claim made on the policy. And Ageas’ explanation for why it is unable to refund her excess is reasonable.

Vulnerabilities

I can only consider compensation for avoidable delays and distress and inconvenience which were as a result of Ageas’s action, and which impacted Ms M directly. I have no power to consider the impact or costs to Ms M’s family, or anyone who isn’t a named policyholder.

Ms M told Ageas about her personal circumstances – caring for her daughter who is vulnerable and has additional needs. Ms M says she would spend hours upstairs every morning to allow the dryers time to work. She would eat breakfast upstairs every day or regularly eat out as a result of the condition of her home. Ms M explained she would have to arrange to be out of the house for long periods at a time due to the environment at home. And this went on for a prolonged period of time so I think it’s clear that this would have caused Ms M significant distress and inconvenience.

Overall I’m not persuaded Ageas has given sufficient consideration to Ms M’s circumstances in its offer of compensation.

Premium increase

Ms M has complained that her insurance premium increased as a result of the claim on her records. Since this aspect of the complaint relates to a different business I won’t comment on it here.

Compensation

Despite Ms M telling the insurer about her daughter’s vulnerabilities, it failed to identify the severity of the claim and didn’t deal with it promptly. This caused extreme worry to Ms M for her and her daughter’s health and safety. Ms M suffered significant impact to her day-to-day life. Ms M had to put in a lot of time and effort to progress the claim. There was serious disruption to her life and a reduction in living standards over a sustained period. Ms M describes having to stay upstairs for hours each day, and spend time out of the house while it was being dried.

I've thought about this carefully. It's not our role to punish businesses where they haven't acted fairly towards consumers. But, given the circumstances described by Ms M, the length of the delays and the inconvenience she has suffered, I think an additional payment of £900 would fairly reflect the heightened distress and upset caused to Ms M."

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Response to my provisional decision

Ms M discussed the current issues she's having with the work but these don't form part of the current complaint. So I won't comment on those.

Ageas accept my findings.

Neither party raised any additional points not previously considered.

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.

In light of the fact that neither Ms M or Ageas had anything new to add to the findings set out in my provisional decision (which I've reproduced here and which forms part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute. For the reasons I've set out above I'm upholding Ms M's complaint.

Putting things right

In order to put things right Ageas should;

- Pay Ms M additional £900 for the distress and inconvenience caused – taking the total payment for distress and inconvenience to £1,750.

My final decision

For the reasons explained I'm upholding Ms M's complaint and direct Ageas Insurance Limited to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 16 January 2025.

Kiran Clair
Ombudsman