

## The complaint

Ms B and Mr I complain that Soteria Insurance Limited (“Soteria”) mishandled their home insurance claim following a leak at their property.

Any reference to Soteria in this decision include its appointed agents and representatives.

## What happened

In October 2018, Ms B and Mr I made a claim under their home insurance policy when their property was damaged due to a leak in the mains water supply pipe. Soteria began remedial work, including drying out the property and rectification of the associated damage.

Initially, Soteria said the property could be lived in during the works, but a letter from Ms B’s health visitor disputed this; the lack of full access to the kitchen as well as the impact of the drying and repair works were cited as reasons for the uninhabitability of the property. So Ms B and Mr I moved into temporary accommodation. By May 2019 the drying was said to be complete, and the family returned home in June, after which it became apparent that the property had been affected by damp.

Ms B and Mr I said Soteria hadn’t completed the drying out process correctly, which had resulted in the problems with damp, condensation and mould. Soteria however, said the issues were due to rising damp and that Ms B and Mr I would need to provide evidence to counter this. So Ms B and Mr I commissioned a damp expert who was a chartered surveyor to carry out a review. The expert’s report recommended further investigation take place and said the current references to rising damp were unjustified. It added that the previous inspections were *“contradictory, inconclusive, and deficient. These should be discounted as a result and a full assessment of the property needs to be undertaken in accordance with good practice and appropriate guidance.”*

Ms B and Mr I also made a Data Subject Access Request (“DSAR”) for more information and found that Soteria’s conclusions about rising damp had contradicted the fact that there was no groundwater found following tests. They said their home had never had any damp problems until after the leak, and that the damp proof course had been said to be in good condition. They told Soteria that as a result of the poor service they’d had to take steps such as installing additional air bricks and looking into permanent active ventilation of the kitchen, and that Soteria’s failure to adequately dry out the property had caused serious health concerns as well as major disruption to their lives.

They were also unhappy that alternative accommodation hadn’t been offered sooner as Ms B was pregnant at the time the leak was discovered and was due to give birth soon after the claim was made. They said the conditions in the property weren’t safe for a newborn baby due to the mould and other hazards. And Ms B had been diagnosed with a long-term health condition which added to her vulnerability. Ms B and Mr I also said the communication from Soteria had been inadequate. For example, it hadn’t followed the correct process in responding to the DSAR and hadn’t responded to their emails at times. So they raised a number of complaints.

Soteria said, in response to the complaints, that it could've provided a better level of service in its handling of the DSAR and it accepted that there'd been delays and a lack of responsiveness at times. It made a number of offers of compensation, including £300 to apologise for the communication issues, £90 for the delay in agreeing to alternative accommodation, £100 for issues relating to a delay in payments being made for alternative accommodation, £250 for the fact that its contractors could've been more thorough in scoping the works, £50 for a concerning message that was sent by the buildings claim inspector and £400 for ongoing delays.

Ms B and Mr I didn't feel the offers were adequate as they didn't fairly compensate for the distress Soteria had caused. So the complaints were referred to this service. Our Investigator looked at all the information and said some of the complaints had been brought to us out of time. The Investigator confirmed that this service would be able to consider events which took place from 19 May 2021 onwards and the issues covered in the latter final response letters, as Ms B and Mr I had contacted this service in February 2024, which meant any complaints Soteria had responded to before August 2023 could not be considered under our rules, unless exceptional circumstances had prevented them from contacting this service on time.

Ms B and Mr I told our Investigator that they'd unfortunately experienced difficult family circumstances including ill health which had prevented them from referring their complaints on time. And that the latter final response letters were materially connected to the earlier complaints so could not be viewed in isolation. Our Investigator responded to Ms B and Mr I's concerns and explained our rules. And ultimately, they accepted that some of their complaints had been brought out of time, so couldn't be considered by this service.

Our Investigator considered the more recent complaints that had been made, which had been referred to us on time, and issued her view to the parties. She said that there had been substantial delays in the handling of Ms B and Mr I's claim and that this had caused a significant amount of distress and inconvenience. She recommended Soteria increase its offer of compensation to £2000 in total.

Soteria didn't accept our Investigator's recommendations and asked for an Ombudsman's decision, so the complaint has now come to me to decide.

### **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 this is an informal service, I'm not going to respond here to every point or piece of evidence Ms B and Mr I, or Soteria, have provided. Instead, I've focused on those I consider to be key or central to the issues. But I would like to reassure both parties that I have considered everything submitted that's within my remit. And having done so, I'm upholding this complaint. I'll explain why.

Ms B and Mr I have understood that some of their complaints were made out of time, so I'm not going to address that matter in detail. I've set out the background to this case in detail but this is for context only, and I'm unable to consider everything mentioned. My decision focuses on the complaints that were brought to this service on time – and these complaints include the issues referred to in the most recent final response letters Soteria sent to Ms B and Mr I. The time period I've considered therefore, for the purposes of deciding whether or not Soteria has treated Ms B and Mr I fairly, is 19 May 2021 onwards, as the issues covered in the most recent final response letters relate to events that took place during that period.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. They should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

The timeline of the claim journey shows that there were instances of avoidable delays in Soteria's handling of the claim. I've not found Soteria responsible for the initial delay of several months from January 2022 when Ms B and Mr I were in receipt of their surveyor's report but didn't pass this on to Soteria until October due to their understandable personal circumstances. But I do consider Soteria responsible for other delays which impacted Ms B and Mr I significantly.

This includes the delay that was caused by Soteria not reviewing the surveyor's report – which challenged its own findings – in a timely manner. I say this because the report was provided to Soteria in October 2002 but it wasn't until June 2023 that Soteria appeared to take any action. This constituted a delay of over 7 months, and a further delay occurred when Soteria was advised to obtain a third report in order to investigate the root cause of the damp, but it didn't contact Ms B and Mr I about this until almost two months later. Further delays occurred when Soteria says it had problems sourcing a third company to carry out the additional investigation into the cause of the damp, and ultimately decided to require Ms B and Mr I to choose from two contractors instead of three. But it took Soteria around 11 months to reach this point when I think it could've done this much sooner, when it first began to have problems sourcing a third contractor.

Whilst I appreciate that Soteria has offered compensation of £300 and a further £400 for delays in its most recent final response letters, I don't consider these amounts go far enough to compensate Ms B and Mr I for the inconvenience and distress they experienced. The avoidable delays in this case spanned a period of over 18 months and from the information provided, I can see that Ms B and Mr I were significantly impacted by these delays and by Soteria's failure to progress matters at earlier opportunities. Ms B and Mr I have said the mould and damp caused them serious concerns about their health and that they made Soteria aware of those concerns. I've also kept in mind that they had very young children and Ms B was also a vulnerable person living in stressful conditions. The repeated delays and failure to act promptly meant the family was exposed to the damp and mould for far longer than they should've been. Soteria maintains it isn't responsible for causing the damp. But looking at the timeline it's clear it didn't act as quickly as it could've when concerns were raised. If it had done, then the impact of the damp and mould, as well as the distress caused by it, would likely have been reduced by at least 18 months, rather than prolonged for this amount of time.

So I'm satisfied that an award of £2,000 compensation reflects the impact of Soteria's actions, for the time period I've been able to consider in this complaint. I've considered this award to be fair and reasonable in the circumstances, as the numerous delays caused by Soteria caused severe disruption to Ms B and Mr I's daily lives for substantially more than a year. It's not possible to know for certain what impact the condition of the property has had on Ms B and Mr I's health, as well as the health of their children. But I consider it likely that living in those conditions will have had a negative impact on their health, and the worry and distress the issue has undoubtedly caused them, over a lengthy period, is sufficiently serious to warrant this award.

Ms B and Mr I have mentioned the additional costs they've incurred, such as paying for expert reports to ascertain the root cause of the damp. If the final report obtained ultimately shows Soteria is responsible for the damp and mould at the property, then I'd expect Soteria

to reimburse Ms B and Mr I for the cost of their chartered surveyor's report. This is because this will show that their report was a necessary step in challenging Soteria's findings. If the final report confirms that Soteria caused damp at the property, then as well as reimbursing Ms B and Mr I for the cost of the report, subject to Ms B and Mr I providing evidence of that cost, it should also add interest at a rate of 8% simple per annum to that cost, from the date Ms B and Mr I paid for the report, until the date of settlement.

I've considered the other points both parties have raised in response to our Investigator's assessment of the complaint. I won't be able to consider the issue of compensation that was offered to Mr I's father as he's not a policyholder, so not an eligible complainant for this complaint. And I can't comment at present on whether Soteria needs to cover the cost of rectification works, as the final report has not yet confirmed it is responsible to do so.

I also appreciate the difficulties Soteria has said it has faced when trying to source a third contractor. But overall, I still consider the delays were avoidable and Soteria could've done more to move things along as a matter of urgency given Ms B's vulnerabilities. I don't consider it unreasonable that Ms B and Mr I wanted to wait until a third contractor had been sourced, as ultimately a choice of three is what was promised to them. I appreciate it was Soteria's in-house team that made the recommendation to source a third contractor, as Soteria has helpfully clarified. But it was evident that there would be problems sourcing a third company and Soteria could've let Ms B and Mr I know about this much sooner to prevent further delays. And giving Ms B and Mr I a relatively short deadline to respond in relation to the two contractors was also, I believe, unreasonable, and would've likely added to their stress at the time.

So overall, I think there were avoidable delays here and mistakes made, which impacted Ms B and Mr I significantly. I'll therefore require Soteria to compensate Ms B and Mr I for the distress and inconvenience caused, in line with our Investigator's recommendations.

### **Putting things right**

Soteria Insurance Limited should now:

- Pay Ms B and Mr I a total of £2,000 compensation for distress and inconvenience for this complaint.
- If it is ultimately found that Soteria is responsible for the damp conditions at the property, reimburse Ms B and Mr I for the cost of their chartered surveyor's report subject to Ms B and Mr I providing evidence of the cost. If Soteria reimburses Ms B and Mr I, it should also add interest at a rate of 8% simple per annum to the payment, from the date Ms B and Mr I paid for the report, until the date of settlement.

### **My final decision**

My final decision is that I uphold this complaint and I direct Soteria Insurance Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr I to accept or reject my decision before 6 March 2025.

Ifrah Malik  
**Ombudsman**