

## **The complaint**

The estate of the late Mr R had representation for this complaint. The representative (“the rep”) complained about delays caused by Ageas Insurance Limited (“Ageas”) under the estate’s home insurance claim and for an unfair settlement being offered on the claim.

## **What happened**

Ageas accepted the rep’s claim following an escape of water at the property of the late Mr R.

The rep arranged a process to get different companies to quote for the repair works. However, Ageas thought the costs proposed were excessive, so had its own contractor to quote for the works, which resulted in a quote around £20,000 lower.

Therefore, Ageas offered for its contractor to do the work, or to cash settle the claim at a level at which it could arrange to get the work completed.

The rep has raised multiple points of failure by Ageas with how the claim has progressed, including:

- Persistent delays and inadequate communication
- Undermining the tender process, by getting its own contractor to quote for the works, which the rep also feels could potentially increase overhead costs

The rep believes the delays have led to further damage to the property and so thinks there will be an increase in repair costs.

The rep said these issues collectively represent a substantial burden, both financially and emotionally, and are wholly attributable to the poor handling of the claim by Ageas.

The rep would like the claim settled promptly and in a way that allows her contractor to complete the works.

Our investigator decided not to uphold the complaint. He didn’t think Ageas had been unfair by getting a quote from its contractor when it thought the rep’s quote from her contractor was excessive. The estate of the late Mr R disagreed, so the case has been 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.

I would first like to offer my condolences to the late Mr R’s family for what I appreciate will have been a difficult time for the family.

The damage caused by the burst water pipes caused a significant amount of damage, so I can understand it has taken some time to agree the scope of works. The rep has appointed her own loss adjuster to run a tender process, where different contractors have bid for the work.

I understand that Ageas opted not to be involved in this process. I don't think this is unreasonable, as the rep was comfortable with her own loss adjuster progressing the claim. The loss adjuster provided Ageas with a tender report that showed the quotes from the tender process and recommended the lowest quote.

Unfortunately, Ageas concluded that the costs proposed from the tender process were excessive. So, it decided to arrange for one of its known contractors to quote for the works. Ageas' contractors quoted around £20,000 less to complete the works. I can see the rep was frustrated that Ageas followed this approach, but I think Ageas has justified why it felt it needed to do this, as its own contractor was able to do the works for significantly less money.

I appreciate the rep feels that by Ageas getting in a lower quote it has undermined the tender process and made it an unnecessary exercise, but I have no reason to doubt that if a quote had been submitted that Ageas thought was reasonable, it wouldn't have had a problem settling the claim on that basis.

Ageas has only got in its contractor to quote as it felt the costs provided were excessive. I can see Ageas then gave the rep the option of allowing Ageas' contractor to complete the works, allow the rep's contractor to price match Ageas' contractor or accepting a cash settlement based on its contractor's price.

I've checked the policy and it says Ageas *"will decide whether to settle your claim by rebuilding, repairing, replacing or by making a payment in respect of the damaged part of the buildings"*. As Ageas' offer to settle has complied with its obligations under the policy, I can't say it has done anything wrong.

I appreciate the rep has said the time taken in Ageas making an offer has meant the damage / costs to repair the property have increased. The rep also thinks getting Ageas' contractor to complete the repairs will involve a higher level of overhead costs. Ageas' obligation, when making the repairs is to put the property back to the same condition as it was pre-loss. Therefore, any additional costs (if they materialise) aren't relevant, as should the rep instruct Ageas to do the work, the expectation will be that it will complete all the required works to restore the property to its pre-loss condition.

The rep could also choose to still take the cash settlement if that's the preference of the estate of the late Mr R, but this would be at the level proposed by Ageas, as this is its right under the policy.

However, as I don't think Ageas has done anything materially wrong, I don't uphold this complaint. I've not considered any issues with alternative accommodation, as these points weren't made to Ageas when the original complaint was raised, so I don't have jurisdiction to consider this. These issues could be raised in a new complaint with Ageas if necessary.

### **My final decision**

My final decision is that I don't uphold this complaint. I don't require Ageas Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr R to accept or reject my decision before 28 February 2025.

Pete Averill  
**Ombudsman**

