

## **The complaint**

Mr K and Mrs G complain about delays and poor claim handling from esure Insurance Limited ("esure") following an escape of water claim, under their home buildings insurance policy.

All references to esure include its contractors and agents.

## **What happened**

Mr K and Mrs G noticed damp in the laminate flooring at their home in November 2023. They contacted esure to make a claim under their policy. A surveyor was sent to inspect the damage and he explained next steps regarding the repairs. It was thought that the leak originated in a neighbour's property, which Mr K and Mrs G were required to substantiate. They say that after this the claim was handled very poorly.

Mr K and Mrs G say drying equipment was provided, but this was removed whilst there was still an active leak. They were then offered a financial settlement for £2,020 less their policy excess, which they rejected. Mr K and Mrs G say they were left to effectively project manage the claim. The quote for repairs they obtained showed it would cost £19,598.25 excluding VAT to reinstate their home to its pre-loss condition. However, they say esure accused them of betterment.

Mr K and Mrs G say esure didn't answer their questions and its claims handler ignored them for seven months. They say esure wanted to send a new surveyor claiming they had problems with the original surveyor. Mr K and Mrs G says they didn't have any concerns with the original surveyor. They say the claim has come to a standstill. They are living in a damp house with contents stored upstairs due to the damaged ground floor. Mr K and Mrs G say the living conditions are made worse as they have a young baby and another child to care for.

In its final complaint response dated 5 July 2024 esure says it provided a comprehensive response to all of Mr K and Mrs G's questions. It says any further queries relating to their claim can be directed to its claim handler and appointed loss adjustor. esure offered Mr K and Mrs G £250 compensation.

Mr K and Mrs G didn't think esure had treated them fairly and referred the matter to our service. esure then contacted us to make a final offer for a total of £600 compensation, to settle the complaint. Mr K and Mrs G didn't accept this offer. So, our investigator considered the matter and upheld their complaint. She didn't think the conditions they were living in were fit or safe given they have a young baby. As alternative accommodation wasn't provided she says esure should pay a disturbance allowance. This should cover the period from 6 December 2023 up to 5 July 2024.

Our investigator says esure handled the claim poorly, resulting in delays, inconvenience and distress for Mr K and Mrs G. To put this right, she says it should pay a total of £1,000 compensation. In addition, she says that on provision of evidence esure should reimburse any financial losses Mr K and Mrs G have incurred, plus interest. Going forward our investigator says esure should arrange for alternative accommodation until their home is habitable.

esure didn't respond to our investigator's findings. Mr K and Mrs G responded with further information relating to their claim and complaint. As an agreement wasn't reached the matter has been passed to me to decide.

I issued a provisional decision in December 2024 explaining that I was intending to partially uphold Mr K and Mrs G's complaint, but I was satisfied that what the business had since done was fair to put this right. Here's what I said:

*provisional findings*

*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'm minded to uphold Mr K and Mrs G's complaint in part. Let me explain. Some level of disruption is unavoidable in these circumstances. But we expect esure to handle all claims effectively to avoid delays and minimise inconvenience. I've focused on whether it did that here.*

*The timeframe I'm able to consider is from 30 November 2023, when Mr K and Mrs G registered their claim, up to esure's final complaint response on 5 July 2024. Any issues raised outside of this will need to be dealt with separately.*

*I've listened to the audio notes esure's surveyor recorded during his visit to Mr K and Mrs G's home on 6 December 2023. He reports damage to the flooring and walls as a result of a leak. Advice was given for how Mr K and Mrs G should substantiate the cause of the leak. As this was thought to be at the neighbouring property. The surveyor noted a vulnerability in Mr K and Mrs G's circumstances as they have a new-born baby.*

*The claim records show there was a delay whilst the landlord of the neighbouring property was contacted. Due to Mr K and Mrs G having a new-born baby, esure agreed to commence drying of the property prior to provision of evidence showing where the leak originated. In the circumstances I think this was fair. The records show an appointment was made for 8 January 2024 as Mr K and Mrs G were away. A record on 17 January refers to monitoring of the drying process.*

*A record dated 26 January 2024 says the property was certified as dry. But on 30 January the notes show Mr K and Mrs G made contact to say further water penetration had occurred. They wanted to discuss the settlement payment. I can see esure explained that if further drying was required it wouldn't be able to discuss a settlement at that time. I think this makes sense as the damage was ongoing at this time and so the scope of the repairs wasn't known.*

*A note dated 6 February 2024 says Mr K and Mrs G will need to sort out the leak with the neighbour. If more drying is needed esure says it will instruct for this to happen. Again, I think this makes sense and means esure wasn't in a position to discuss a settlement payment at this time.*

*I think it's reasonable that esure started the drying process when it did. But the cause of the*

*leak hadn't been fixed. I don't think it's unreasonable that esure wanted Mr K and Mrs G to confirm the leak had been fixed before taking further action. I can see from their policy terms and conditions that repairing the cause of the leak is their responsibility.*

*From the emails supplied, Mr K and Mrs G were in contact with a contractor in mid-March 2024 to obtain quotes for the repair work. They emailed esure on 12 March to say further damp had been noticed. On 9 April the records show Mr K and Mrs G informed esure that the leak from next door had finally been stopped. A record from early April refers to them advising the settlement wasn't enough. The notes refer to the quotes they'd provided, and mention of a hole in the subfloor that esure thought to be pre-existing. esure refers to the quote Mr K and Mrs G provided for £19,598.25 net of VAT. It says a clear breakdown is needed in support of this as it's significantly higher than its scope of works.*

*The notes in April and May 2024 refer to various quotes Mr K and Mrs G provided. There was some discussion around costs esure's surveyor hadn't identified in his inspection. This includes a screed floor. In the notes there is reference to the surveyor saying this was in a poor state pre-loss. The records show esure contacted Mr K and Mrs G by phone. But they'd asked for everything to be put in writing. A note dated 14 June says that due to a dispute over the screed floor another surveyor will need to attend. This was arranged. The notes say the surveyor will need to make phone contact in order to confirm a time slot. Mr K and Mrs G wanted this confirmed in writing. esure explains that the way the surveying firm operates is to make a call the previous evening to ensure access is possible and to confirm the time of arrival.*

*I can understand Mr K and Mrs G's preference for all communication to be in writing. But in these circumstances I don't think confirming an appointment by phone is unreasonable. As Mr K and Mrs G were disputing the items included in the scope of works, I think esure's request for a further inspection to take place was appropriate. Making phone contact to arrange the appointment effectively appears reasonable.*

*A record from the end of June 2024 confirms the second survey has been completed. There is a slight increase to the cost of the scope of works. This is for around £200. The claim records refer to uninsured building works Mr K and Mrs G want doing to remove a chimney breast. It also says the quotes they provided are significantly inflated to include the removal and refit of their kitchen. esure says this isn't required. The record confirms Mr K and Mrs G want to use esure's repairers to do the work. esure raised concerns internally as there are uninsured works linked to the claim. It subsequently responded to Mr K and Mrs G's list of questions and provided its final complaint response offering £250 compensation.*

*Having read the records and copy correspondence, its clear delays occurred in esure's handling of the claim. At times communication was lacking and more care could've been taken to ensure the claim progressed effectively. There were factors that were outside of esure's control. It took some time for the source of the leak to be fixed. This was problematic given the difficulties Mr K and Mrs G appear to have had engaging with the neighbour/landlord. It took around five months before the leak was finally confirmed to be fixed.*

*The initial drying took place fairly quickly. I note Mr K and Mrs G's comments that the drying equipment was removed whilst there was an active leak. But the records show the moisture readings had returned to an acceptable level. So, removing the equipment at this time appears reasonable. However, dampness resumed as the leak hadn't been fixed. A drying process can't work unless the source of the leak has first been fixed. This didn't happen until 9 April 2024. I understand why esure agreed to start the process given Mr K and Mrs G's circumstances. But any drying attempts with an ongoing leak were likely to be unsuccessful. As discussed, it was Mr K and Mrs G's responsibility to arrange for the leak to be fixed.*

*There is no cover for this under their policy.*

*Throughout the claim there were delays when Mr K and Mrs G provided information or asked questions, and in esure responding back or taking the required action. I can understand why Mr K and Mrs G were frustrated with this. Especially given the state of their living arrangements. I note their concern that esure's claim handler didn't contact them directly throughout the process. Its response was that its agent was handling the claim and it was best placed to respond. However, I think it would've been beneficial for esure to have explained this at an earlier juncture, given the direct contact Mr K and Mrs G had made with its claim handler.*

*I don't agree with our investigator's view that esure should pay a disturbance allowance. The approach we take is that these payments are to cover additional costs a policyholder has incurred as a result of staying in their home whilst repairs are ongoing. I think there is an argument that as Mr K and Mrs G had a new-born baby, and another child living in their home, alternative accommodation should've been offered. But a disturbance allowance is intended to cover additional costs. I can't see that Mr K and Mrs G have incurred additional costs when living at their property during this time. They still had access to bathing, cleaning, and cooking facilities. So, they didn't incur additional costs eating out, using a launderette, or not being able to store food etc. That said, their daily lives were impacted given parts of the ground floor were stripped out in response to the leak. But I think this is more appropriately acknowledged with the provision of a compensation payment.*

*I'm able to consider the impact all of this had on Mr K and Mrs G up to 5 July 2024 when esure sent its final complaint response. Given the inconvenience, frustration, and distress the delays, poor communication, and lack of alternative accommodation caused, I agree with esure that a payment of £600 is fair. I don't think it's entirely responsible for the length of time it's taken to deal with this claim. A large part of this is due to the ongoing leak. There was also a significant variance in the quote Mr K and Mrs G obtained compared with esure's scope of works. esure is entitled to validate the costs being claimed. So, when considering all of this I think esure's offer of compensation is fair. I won't ask it to pay more.*

*If Mr K and Mrs G have incurred additional losses, not included in their original complaint, they can ask esure to consider this as part of their claim. But I'm not able to consider these points in my decision here. Similarly, if there is a requirement for alternative accommodation going forward Mr K and Mrs G can raise this with esure. If they're not satisfied with how this is handled they can of course complain to the business. They can ask our service to consider any further complaints if they're dissatisfied with its response.*

I said was intending to uphold this complaint in part, but I was satisfied that what the business had since done in paying £600 compensation was enough to put things right.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

esure responded to say that it accepted my provisional findings.

Mr K and Mrs G responded to say they didn't agree with my provisional decision. They refer to the number of times they contacted esure without receiving responses, and query who the loss adjuster I referred to was. They highlight that it was our investigator who referred to a disturbance allowance, and not them. They also say that the repairs to their property are ongoing.

In their response Mr K and Mrs G say work men turned up days early to remove a dehumidifier, and that this smelt of urine. They say tubes placed across the floor in

connection with the drying were a hazard. And that the drying contractors that attended in December 2024 were the same as from January. Mr K and Mrs G say the contractors poked holes in their walls and were rude and argumentative.

Mr K and Mrs G say they wanted to discuss the justification of esure offering a settlement payment, as opposed to it arranging the repairs. They query when esure informed them they had to stop the neighbour's leak. They say information around this point was lacking and that they were told any further damp would dry over the summer months. Mr K and Mrs G say esure had no intentions of arranging further drying work.

Mr K and Mrs G say it was a waste of time providing quotes. They only did this on request from esure. In addition, they say the request for all contact to be in writing was so that they had a record and because of arrangements not being met.

Mrs G comments that her maternity leave was ruined, as was her husband's paternity leave as a result of esure's poor handling of their claim. In addition to celebrations that couldn't take place in their home. She says £600 compensation is offensive.

### **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'm not persuaded by Mr K and Mrs G's comments that a change to my provisional decision is warranted. I understand this has been a distressing time for them and their homelife has been disrupted for a lengthy period. By no means is my intention to diminish the impact all of this has had on them. But I'm satisfied on review of the evidence and their further comments that the outcome I set out is fair.

I've carefully read all of the evidence supplied by Mr K and Mrs G as well as that provided by esure. I accept that communication was of a poor standard. This was one of the reasons why I felt that a compensation payment was appropriate. I note their comments about the number of contacts they made to esure, and the emails that weren't responded to. But this isn't new information. I'm satisfied that I have appropriately considered the communication aspect of their complaint.

With respect to their comment about the loss adjustor. The section of my provisional decision they have highlighted relates to esure's final complaint response. I was referring to the agent appointed to deal with their claim.

I don't dispute Mr K and Mrs G's comments that it was our investigator who raised the point about a disturbance payment. I didn't think a disturbance payment was relevant here, as I explained in my provisional decision. But as this differed from what our investigator had said, it was important that I included an explanation of this point. I'm sorry if Mr K and Mrs G felt I'd said they had mentioned this initially. But I can't see that this is what I set out in my provisional decision.

I acknowledge Mr K and Mrs G's comments about the drying work and the impact this had. Again, I don't dispute that this caused disruption. But I've already considered all of the evidence around this. I'm not persuaded by their further comments to amend my provisional decision.

Some of the concerns raised by Mr K and Mrs G relate to work and issues that took place after the complaint period I'm able to consider. I note they recognise this in their response to my provisional decision. So, I'm sure they understand that I'm unable to comment on these

points here.

esure's policy terms allow it to decide how to deal with a claim. This includes either arranging for repairs to be completed or paying a settlement payment to cover these costs. I can't see that it acted improperly when offering to cash settle. From the records provided esure felt that this would be fastest way to settle Mr K and Mrs G's claim. As it is, the claim wasn't cash settled at this time. I'm not persuaded that a different outcome is warranted in light of these further comments from Mr K and Mrs G.

In my provisional decision I referred to esure's claim records that show Mr K and Mrs G were advised about the need to resolve the leak originating in their neighbour's property. There is a clear record of a call where this was discussed in February 2024. Further references to this requirement being confirmed are set out in the claim records. I think it's reasonable to accept that this was discussed with Mr K and Mrs G. It's also clear from the surveyor's audio record that this was discussed with them.

I said in my provisional that I didn't think some phone contact was unreasonable in these circumstances. I understand the point Mr K and Mrs G have made, but this doesn't change my decision. I acknowledge what they say about wasted time obtaining quotes. But I'm satisfied the compensation esure paid is sufficient to acknowledge the overall impact of the service shortfalls highlighted.

I'm sorry for the disruption, upset and inconvenience that Mr K, Mrs G, and their family have experienced. And I hope that I've been clear in explaining why I think £600 compensation is fair in these circumstances. But I'm not persuaded that esure should pay more.

### **My final decision**

My final decision is that I uphold this complaint in part. But I'm satisfied by paying Mr K and Mrs G £600 compensation (after they'd contacted our service) esure has done enough to put this right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr K to accept or reject my decision before 7 February 2025.

Mike Waldron  
**Ombudsman**