

## **The complaint**

Mr H has complained on behalf of Mrs H about the way Acromas Insurance Company Limited settled her claim for alternative accommodation and the way it handled an escape of water claim under a contents insurance policy.

## **What happened**

In January 2024 Mrs H's flat was badly damaged by a water leak from the flat above.

Mrs H claimed under the buildings insurance policy covering the block of flats for the damage to the building. She moved into a care home. She also made a claim to Acromas for the damage to her contents. The other insurer made good the damage to the building by 28 March when Acromas took on the contents side of the claim.

Acromas was asked to continue paying for Mrs H's accommodation costs while it dealt with the contents claim. Acromas says it told Mr H it wouldn't pay for care costs. The buildings insurer had paid a total of £633.13 a week, being the total care home fee less the cost of care, food and cleaning. Acromas said it would do the same. It paid £6,331.30 for ten weeks' accommodation in respect of the period from 28 March to Mrs H's return home.

Mr H was unhappy with the time Acromas took with the contents claim. It said the carpets were ordered on 13 May and fitted on 22 May. Acromas said any delay in processing the contents claim was caused by difficulty in getting hold of Mr H.

Mr H brought a complaint on behalf of Mrs H to this service. Our Investigator didn't think Acromas had treated her unfairly. She was satisfied the amount paid in respect of alternative accommodation was fair. She didn't think there was an unreasonable delay in dealing with the contents claim.

As Mrs H didn't agree, the matter has been referred to me.

## **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.

The starting point for any claim is the policy between the insurer and the customer- that is the policy document. Mrs H's policy entitled her to alternative accommodation "*which is of a similar size and standard to your home*" at a cost of up to £25,000.

Mrs H had moved into the care home before the claim was reported to Acromas. I think Acromas took account of Mrs H's personal circumstances in agreeing to contribute towards the cost of her care home fees as opposed to rented accommodation or a hotel as she needed to stay somewhere suitable for her accessibility needs. But I'm not convinced that Acromas should pay the extra costs involved in staying in a care home.

The question is what those extra costs are. Mrs H was receiving some services before the claim. Mr H suggested that these costs for food and care of about £150 a week should be deducted from the total care home fee of £1,100 a week and Acromas should pay the balance. On the other hand, the care home has provided a breakdown of its fees. It said after deducting carer wages of £405.15, food £41.43 and cleaning at £20.26, its accommodation costs were £633.13 a week. I'm more persuaded by the care home figures. As a commercial operation it should have a more accurate idea of what its accommodation costs are.

The amounts deducted in respect of carers, food and cleaning do not seem excessive to me. Due to the length of the claim I think it's more likely than not that usually the policyholder would have been placed in rented accommodation. As they were not costs I'd expect Acromas to have covered if Mrs H had been in rented accommodation, I think it was reasonable for it to refuse to pay them in this claim.

Mr H has also complained about delays on the part of Acromas. It only took over the claim from the buildings insurer at the end of March 2024. So I can't hold it responsible for the fact that the carpet wasn't removed earlier to facilitate drying. The claim records support Acromas's position that it had difficulty at times in getting hold of Mr H to make decisions on the claim and at one stage there was a dispute about paying the excess. Overall I can't see that there was any significant delay on the part of Acromas. It completed the contents claim in about nine weeks which, bearing in mind the extent of the damage, I think was reasonable.

Although I understand this isn't the outcome Mrs H would have liked, I'm satisfied that Acromas treated her fairly. It follows I won't be asking it to do anything more.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 March 2025.

Elizabeth Grant  
**Ombudsman**