

The complaint

Mr and Mrs P complain about Pen Underwriting Limited's ("Pen") handling of their claim, and its decision to decline cover for a replacement fence, under their home buildings insurance policy.

What happened

Mr and Mrs P contacted Pen in November 2023 to report damage caused by a storm. Pen accepted the claim and sent an assessor to inspect the damage. Mr and Mrs P say that at an early stage the assessor confirmed that their garden fence would be included in the claim. However, Pen later told them this was excluded under its policy terms. Mr and Mrs P say Pen took a long time to make a settlement payment, and its assessor was difficult to contact.

Pen provided two complaint responses to Mr and Mrs P. The first in April 2024 talks about the delayed settlement payment. It says its assessor submitted a report on 9 March 2024, but this wasn't processed until 28 March. It says this delay was avoidable. Pen says the level of communication and its standard of service had been poor. It paid Mr and Mrs P £200 compensation to acknowledge this.

In its second complaint response in July 2024 Pen again refers to a delay in the settlement payment. It says it has now received the final invoices and has issued a payment for £1,822.25. However, it says it hasn't included a payment for the fence Mr and Mrs P replaced as this is excluded under its policy terms. Pen says it can't find evidence to show its assessor agreed the fence would be covered. But it acknowledged that it had failed to provide the correct level of guidance and support. Because of this it offered Mr and Mrs P a further £500 compensation.

Mr and Mrs P didn't think Pen had treated them fairly and referred the matter to our service. Our investigator didn't uphold their complaint. She says the fence is excluded under Mr and Mrs P's policy terms. She thought there had been avoidable delays in providing payments, and the standard of communication could've been better. But she was satisfied that the compensation Pen had paid and offered was fair.

Mr and Mrs P didn't accept our investigator's findings and asked for an ombudsman to consider their complaint.

It has been passed 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.

Having done so I'm not upholding Mr and Mrs P's complaint. I'm sorry to disappoint them but I'll explain why I think my decision is fair.

Mr and Mrs P's claim was for storm damage. There's no dispute that a storm occurred, or that it was responsible for the damage claimed. So, I needn't consider this point. My focus here is about whether Pen treated Mr and Mrs P fairly when handling their claim, in the payments it made, and when it declined to cover the cost of the replacement fence. I've divided my decision by the relevant headings.

Fence

Mr and Mrs P say that when Pen's assessor inspected the damage he told them their fence was covered. This is because it was attached to their property and isn't a garden fence. Mr and Mrs P told him they'd been recommended a certain fence that was wind proof. To which he responded, "*good idea*". On another occasion Mr and Mrs P say another Pen agent confirmed they could go ahead with replacing the fence. Based on this they say their understanding was that the fence was covered.

I have no reason to doubt Mr and Mrs P's recollection of the conversations they had with Pen's agents. However, I also acknowledge that Pen says it has no evidence to support they were told the fence was covered.

I've read Mr and Mrs P's policy terms. Under the storm cause it says fences are excluded from cover. I think this is clearly worded. The policy booklet tells Mr and Mrs P they should read this document along with their policy schedule and statement of fact document. So, I'm satisfied this information was provided to Mr and Mrs P and in a clear format.

On the balance of probability, I think Pen's agents probably did give incorrect information about the fence being covered. But ultimately storm damage to their fence isn't something Mr and Mrs P were insured for. They've suffered a loss of expectation. This has caused them frustration and distress as they've had to pay the cost of the replacement fence themselves. But this cost isn't covered by their policy. I've thought about whether Mr and Mrs P would have acted differently had they known the fence wasn't covered. But I haven't seen anything that suggests they would. I think they will have replaced the fence regardless of this outcome. I note their comments that they may have considered a more basic fence. But they also say they wanted it to withstand future bad weather. Based on this I'm reasonably satisfied that they wouldn't have acted differently.

It's fair that Pen acknowledges the impact its miscommunication had. But I'm satisfied it's done enough with the compensation payment it offered to put this right. So, I won't ask it to pay more.

Service

I've read the claim records Pen provided. When its assessor visited Mr and Mrs P's property they already had scaffolding in place. The storm cause for the damage was validated and Mr and Mrs P arranged for the repairs. Mr and Mrs P haven't disputed the settlement amount for the repairs they arranged, other than the fence aspect. Their concern is solely about the delay in payment being provided and the standard of service.

There are records to show Mr and Mrs P chasing payment for invoices they'd provided from early February 2024. It's clear they had difficulties getting hold of the assessor to discuss their claim. At the end of February, a record shows Mrs P was frustrated that no payments had yet been made. The note says they were able to cover the costs in order to pay the contractor's they'd used, but she made clear this shouldn't be the case.

A record in early March 2024 shows Mr and Mrs P couldn't get through to the relevant team, and they were waiting for a payment to be provided. The notes show that further information

was requested from Mr and Mrs P in March in order to validate the costs claimed. From what I've read this could've been requested sooner had communication been better. A payment was then processed at the end of March.

At the beginning of June 2024 Pen's records show contact from Mr P. He was frustrated that he'd heard nothing from the business. In mid-June Pen asked for Mr P to resend information it couldn't locate. The issue of the declined fence payment is included in several records throughout June. A payment for the outstanding claim amount was then paid at the end of the month. Albeit this didn't include the cost of the fence, or the £500 payment Mr P asked for his time in project managing the claim.

Having considered this information, the records support Mr and Mrs P's view that it was difficult for them to contact the people dealing with their claim. The onus appears to have been on them to progress matters in order to receive payments. This was clearly a frustration for both of them and caused inconvenience over several months. In these circumstances it's fair that Pen compensates Mr and Mrs P for the poor communication and service they experienced. But I think what it's already offered is fair in these circumstances. I acknowledge what Mr P says about the time he spent managing the claim. But there is no requirement under his policy terms for such a payment to be provided. On balance I think the compensation Pen has offered is fair in acknowledging the inconvenience this caused him.

In summary I don't think Pen treated Mr and Mrs P unfairly when it relied on its policy terms to decline the fence claim. I don't think it provided a good standard of service, its communication was poor, and it likely gave incorrect information about the fence. But I think it's done enough to put this right with its offer of compensation. It should pay this to Mr and Mrs P if it hasn't already.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 27 February 2025.

Mike Waldron
Ombudsman