

## **The complaint**

Mr G has complained about how Red Sands Insurance Company (Europe) Limited ('Red Sands') dealt with a claim under his home insurance policy.

References to Red Sands include companies acting on its behalf.

## **What happened**

Mr G contacted Red Sands to make a claim when water flooded from the washing machine and the toilet was also found to be blocked. Red Sands appointed a company to assess the blockage. It also arranged for a company to survey the damage and to provide a scope of works. A company also visited to remove wet flooring, sanitise and install drying equipment.

While the claim was ongoing, Mr G complained. He said he wanted a minimum of £8,000 to settle his claim because of the errors, damage, disruption and overall lack of care shown to him during the claim. When Red Sands replied, it explained the basis of the contents settlement offer. It acknowledged that removing some of the flooring would have been uncomfortable, but it didn't make the property uninhabitable. It didn't agree there had been delays in appointing contractors. However, it said there were delays in responding to emails and in obtaining the drying certificate. It offered £150 for the impact of the delays.

Mr G complained to this Service. Our Investigator upheld the complaint. He said Red Sands had offered fair compensation for the delays it had identified. However, there were also delays at the start of the claim because Red Sands appointed a contractor that didn't cover Mr G's postcode. Mr G had to chase to get this resolved. He said Red Sands could also have explained about how the claim would progress in a more sympathetic manner at times. Mr G had increased electricity costs, including because he had the heating on, in part, to dry his home while waiting for the dehumidifiers to be installed. However, the property wasn't uninhabitable, so Red Sands didn't need to offer alternative accommodation. He said Red Sands should pay a total of £300 compensation, which included the £150 it previously offered, and pay Mr G's additional energy costs.

As Mr G didn't agree this fairly compensated him for the issues during his claim, the complaint was 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.

Having done so, I uphold this complaint. I will explain why.

I have only looked at issues up to 7 February 2024, which is the date on which Red Sands sent its response to the complaint I'm considering.

Mr G contacted Red Sands about the claim in mid-November. From what I can see, Red Sands appointed a range of contractors shortly after the claim was opened and a company

visited to identify the cause of the blockage that led to the leak and to clear it. Following this, Mr G chased for progress on next steps. At that time, Red Sands was in the process of appointing a surveyor and a company to undertake sanitising and drying. The companies visited over the next 10 days. Other aspects of the claim also continued, including assessing what was covered by the contents part of the claim.

For the contents part of the claim, I've seen the items claimed for and the amount offered for those items covered by the policy. From what I've seen, Red Sands made its offer in line with the terms of the policy. I think the amount it offered was reasonable.

I'm aware Mr G has also said he was concerned he had to live in his home when there was sewage present. The flooring was taken up during the claim, leaving exposed concrete floors. He has said his home was uninhabitable and he should have been provided with alternative accommodation.

Generally, a home is considered uninhabitable where it doesn't have cooking or washing facilities. However, I can understand Mr G would have been concerned about sewage. When he first reported the claim, it's my understanding that the water was reported as having leaked from the washing machine, with a possible blockage in the toilet. So, at that stage, I don't think there was anything to show there might be sewage in the property or that Red Sands should have been aware of this possibility. When the company visited to find the source of the blockage, it was able to clear it. Although its report said sewage had damaged the flooring, there was nothing in the report to suggest this was causing a hazard to Mr G or that it made his home uninhabitable.

In terms of the concrete floor, it's my understanding that it was necessary to remove the flooring, which then left the concrete floor below exposed. But I haven't seen anything to suggest this made Mr G's home unsafe and I don't think an exposed concrete floor would, in itself, make a home uninhabitable. So, I think it was reasonable that Red Sands considered Mr G's home to be habitable and didn't offer him alternative accommodation.

Mr G has also said he wasn't paid enough to cover his increased electricity costs during the claim. Red Sands seemed to understand this as being about the cost of running the driers and that Mr G had his heating on higher during the claim period. Red Sands said it would cover drying costs, but not heating costs. From what I can see, early in the claim, Mr G said he had put his heating on higher to try and dry the property, rather than simply to heat it, because the dehumidifiers hadn't been installed at that point. When Red Sands appointed the drying company, it also noted Mr G's concerns about the higher moisture levels in the house. So, I think Red Sands should consider Mr G's electricity costs, to cover the cost of drying, from when he first made the claim to the date on which the dehumidifiers were installed and reimburse his reasonable additional costs for that period. Mr G will need to provide Red Sands appropriate evidence of the difference in costs, such as the bill for this period and the equivalent period from the previous year.

Mr G also said he thought the whole claim could have been completed before Christmas and that delays led to his claim affecting the Christmas and New Year period. He was also concerned about the disruption and stress caused to his life by how Red Sands dealt with the claim more broadly. I'm mindful there will always be a certain amount of disruption caused by the incident that led someone to make a claim in the first place. In this instance, Mr G had a significant water leak that also had sewage in it. So, Red Sands was always going to need to assess the damage, draw up a scope of work, carry out drying and appoint contractors if it was going to repair the damage. I also think it's common for insurers to progress a claim in stages, such as waiting for the drying to be complete before appointing contractors to carry out the repairs. Issues like the need to remove the floor was also a consequence of the claim, despite this causing Mr G inconvenience.

I'm aware Red Sands accepted there were some delays in replying to emails and that it could have dealt with the drying certificate more quickly. The drying was complete just before Christmas, but the drying certificate wasn't dealt with for about three weeks, which was then into the New Year. Mr G also said he was spoken to abruptly and unhelpfully early in the claim when he was told it wouldn't be resolved until the New Year. This might have been a reasonable assessment of timescales. But, I think it could have been explained to Mr G in a more appropriate way, given he was concerned about the damage to his home and wanted it dealt with as soon as possible. I can also understand that Mr G was concerned and distressed about the sewage and that this might affect his ability to live in the house. I think more could have been done to reassure Mr G about this at an earlier stage.

So, I've thought about the claim as a whole and compensation. Having done so, I think £300 more fairly reflects the impact on Mr G because of the issues with the claim. This includes the £150 Red Sands already offered. I'm aware Mr G wants substantially more compensation. However, £300 is in line with the compensation I would normally expect to see paid in circumstances like these and I think this is a fair amount.

### **My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. I require Red Sands Insurance Company (Europe) Limited to:

- Pay a total of £300 compensation, which includes the £150 it previously offered.
- Reimburse Mr G's reasonable additional energy usage costs for the period from the start of the claim to the date on which the dehumidifiers were installed, subject to him providing appropriate evidence of these costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 March 2025.

Louise O'Sullivan  
**Ombudsman**