

## **The complaint**

Mrs C is a sole trader which I'll refer to as "A1". She complains on behalf of A1 that Ageas Insurance Limited overspent considerably on reinstatement works following an escape of water claim under a Shopkeepers insurance policy.

## **What happened**

A1 own a property that has a salon on the ground floor with a flat above. It requested assistance from Ageas in May 2023 following water leaking from a shower which damaged the shower room and salon below. It provided a repair quote for £5,920. This quote was based on an initial inspection and noted significant damage.

Ageas appointed a loss adjuster. They found the initial quote to be inadequate, so they instructed contractors introduced to the claim by A1 to provide a detailed scope of works. This totalled £13,980.88 and included a provision for asbestos testing.

After variations were made to the scope of works, the cost of repairs reduced to £13,307.58 and Ageas completed the settlement by paying for the cost of repairs.

A1 was satisfied with the repairs but raised concerns over the total claim costs. It said costs were excessive, higher than expected, contractors spent too much, and unreasonable costs such as out of hours rates and delivery costs were added. It said costs should have reduced once it was confirmed no asbestos works were required.

A1 complained to Ageas about this, its lack of communication regarding costs, and the potential impact on future premiums due to the claim overspend. Ageas responded to the complaint in July 2024 acknowledging communication could have been better, but said it settled the claim fairly. A1 didn't agree, so it approached our Service.

The Investigator didn't recommend the complaint be upheld as they thought Ageas settled the claim fairly. A1 didn't agree, so I must decide the complaint.

## **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 acknowledge I've summarised A1's complaint in less detail than it presented it. In my decision I've focused on what I consider to be the pertinent points. That means I've not addressed each point individually. I mean no discourtesy by this – it simply reflects the informal nature of this Service. I assure A1 (and Ageas) I've read and understood everything that's been provided.

The contract of insurance required Ageas to settle this claim by covering the cost of claim-related repairs. I am satisfied Ageas settled this claim fairly and reasonably. I'll explain why.

A1 requested assistance from Ageas and I find it responded in the way I'd expect it to here.

It appointed a loss adjuster to oversee this claim, manage repairs, keep the costs of these to Ageas reasonable, and see matters through to completion. I find that is what happened here.

The loss adjuster appointed contractors introduced to this claim by A1 to provide a full and detailed scope of works. That's because A1's initial quote of £5,920 didn't include all claim-related damage. I am satisfied this was a reasonable approach for the loss adjuster to take here, given they were responsible for ensuring A1 were provided with lasting and effective repairs to all claim-related damage.

The scope of works totalled £13,980.88. The loss adjuster reviewed this and was satisfied the works included did what I mentioned above and also were at a reasonable cost to Ageas.

The scope of works included the provision for asbestos testing. I've seen this work was limited to sample testing only, with a view to later assessing any further, potential works. Ageas has said had asbestos been found, it's more likely than not the claim costs could have increased further, which doesn't seem unreasonable.

A variation to the scope of works was done. Some works were removed, and other works included. I don't find a variation to a scope of works to be uncommon. These were reviewed by the loss adjuster and were considered reasonable. The loss adjuster was appropriately placed and suitably qualified to make this decision.

The variation resulted in the total claim costs reducing to £13,307.58 and Ageas were satisfied this was a fair and reasonable amount to indemnify A1 for the resultant escape of water damage. This was ultimately a decision for Ageas to make, and I find it reached this conclusion fairly and reasonably.

I note A1 has said the scope of works were higher than expected (it said £9,000 would have been more reasonable), included aspects such as 'out of hours' rates, and contractors spent money irresponsibly knowing the budget for the claim was £13,980.88. But I've not been persuaded that was the case here. I've reviewed the scope of works, and I am not satisfied the works or costs involved were so unreasonable for a claim such as this, that it must follow that Ageas were responsible for a significant overspend on this claim.

I also note A1 has said communication should have been better regarding the claim costs. Ageas acknowledged this and I can see it apologised, which I find was fair. A1 said had it been better informed, it could have opted to remove items from the scope and pay the contractor privately. This is not something an insurer is required to do, nor would it be reasonable or practical for a policyholder to select parts of the works to pay for. It's for an insurer to decide how to settle a claim, and the costs of doing so, provided they're reasonable, which I am satisfied they were here.

So, in concluding, I am satisfied Ageas settled this claim fairly and reasonably. Therefore, it follows I don't require it to take any action.

I accept this isn't the outcome A1 was hoping for. But my decision ends what we – in attempting to resolve its dispute with Ageas – can do for it.

### **My final decision**

For the reasons I've given above, I've decided not to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A1 to accept or reject my decision before 7 March 2025.

Liam Hickey  
**Ombudsman**