

The complaint

Mr and Mrs T are unhappy with the way that Haven Insurance Company Limited settled a claim under their home insurance policy for damage caused by a water leak.

What happened

On 6 September 2024 Mr and Mrs T made a claim to Haven after a water leak from a bathroom damaged some units in their kitchen and the kitchen ceiling. They arranged for the leak to be fixed.

Haven accepted the claim. It asked Mr and Mrs T for a video of the damage in the kitchen and a quote to replace the damaged kitchen units. Mr and Mrs T told Haven that according to various kitchen companies their original units were no longer available. They say the kitchen units were about 20 years old. They sent Haven a video of the damage and a quote for a full kitchen renovation. They also asked Haven to pay for skip hire.

On 3 October Haven said it wouldn't pay for a complete renovation of the kitchen. It also said a skip wasn't necessary for the amount of waste in question.

Haven said it would only pay to replace parts of the kitchen damaged by the leak. It offered to settle the claim based on two similar units from a different retailer. After looking at the video supplied by Mr T, Haven said the carcasses of the kitchen units were damaged but the cupboard doors and handles weren't damaged. They suggested that the carcass of each unit be replaced and the doors and handles reused.

Mr and Mrs T weren't happy with that. They didn't think the units referred to by Haven were similar in look or quality. They explained that their contractor had removed and disposed of the damaged kitchen units on 5 October 2024, so they couldn't reuse the doors and handles.

Haven offered a cash settlement based on replacing two units from a well-known brand plus labour costs. Mr and Mrs T didn't think this was fair. They thought Haven should pay to replace the damaged units and half the cost of replacing the undamaged units in line with the policy terms and conditions regarding matching sets.

Mr and Mrs T brought their complaint to this service. I issued a provisional decision explaining why I was minded to uphold the complaint in part. An extract from my provisional findings is set out below:

"My starting point is the policy terms and conditions. The policy says:

"Matching items

Where we agree to pay a claim for something that's part of a matching set or suite, we will do our best to match it. We will try to repair the damaged item and, where this isn't possible, replace it. This may not be an exact match, but it should look reasonably like the rest of the set or suite. If we can't replace the damaged item with a reasonable match, we will make a cash contribution of 50% towards the cost of replacing the undamaged item forming part of the same set or suite."

With regard to what is a reasonable match we wouldn't usually expect an insurer to go to the cost of exhausting every conceivable option to track down an exact match. Equally we wouldn't expect a consumer to accept something inferior to what's been damaged as that wouldn't indemnify them. So if the insurer can't source an exact match through its usual methods, we think the fairest solution is for the insurer to offer the nearest equivalent to the damaged item – so long as it's broadly as good or better. That would be a reasonable match.

Haven said its settlement offer was "broadly based" on two replacement units from a well-known kitchen brand. But it seems that Mr and Mrs T's existing kitchen units were made of solid wood. Haven offered a settlement based on cupboards which are made of particleboard which is generally considered to be inferior to solid wood. So I don't think that's a reasonable match in terms of material. They were also much smaller than the damaged cupboards. I think in the circumstances what Haven was offering was not a reasonable match. I provisionally think it should have based its settlement on bespoke solid wood cupboards made of the same size and quality as the original. Had the original doors and handles been fitted to the new carcasses, that would have amounted to a reasonable match in my view.

I think both parties contributed to the fact that this course of action had to be ruled out. On 20 September Haven was aware that Mr and Mrs T proposed to hire a skip. On 3 October it told them a skip wouldn't be needed and also that it wouldn't pay for a complete renovation of the kitchen. It's a shame there wasn't better communication at this point. On balance I think Haven should have explained to Mr and Mrs T before it was too late that it would be worth keeping the cupboard doors and handles in case they didn't want to replace the rest of the kitchen at their own expense.

In my view a compromise is the fair and pragmatic way forward. Although the policy refers to the insurer paying 50% of the undamaged items which are part of a set, I don't think that would be a fair outcome in this case. That's because by the time Mr and Mrs T disposed of the doors and handles on 5 October it should have been obvious to them that Haven was not willing to contribute towards a whole new kitchen as they hoped and also that it would be difficult to match their existing cupboard doors.

I plan to require Haven to pay 25% of the cost of replacing the undamaged kitchen units which would otherwise be a visible mismatch together with 100% of the cost of replacing the damaged units, in each case including the same proportion of labour costs. As this would be a cash settlement, it would be up to Mr and Mrs T how they use it. For example, they may wish to use it as part payment of a new kitchen or put the money towards a bespoke matching service."

Mr and Mrs T accepted my provisional decision. In summary Haven made the following points in response:

- It reminded me that only the carcasses had been damaged and not the doors.
- It is a condition of the policy that all evidence should be stored unless otherwise agreed.
- With regard to its settlement offer, that was based on units which were comparable apart from size which the insured hadn't confirmed.
- It didn't understand the basis on which I thought it should pay 25% of the cost of replacing the undamaged units.

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 fully accept that only the carcasses of the kitchen units had been damaged and not the doors and also that all evidence should have been preserved unless Haven agreed otherwise.

The problem in this case is that in the various communications which took place between Haven and Mr T in September and early October 2024 there was no suggestion that there was any need to keep the doors. For example, in an email dated 19 September Haven asked Mr T to obtain a quote to replace the units in question with a comparable design, make and material. It didn't ask him to get a quote just for the carcasses. On 1 October Haven reminded Mr T that it was waiting for two itemised quotes for replacement kitchen units. I think it was reasonable for Mr and Mrs T to infer from this that there was no need for them to keep the kitchen doors of the damaged units for them to be reused.

As mentioned above, Haven was also made aware that Mr and Mrs T were planning to dispose of the damaged units as it was asked to fund the cost of a skip. It could have stepped in at that stage and told them not to dispose of the doors. Instead it suggested they approach their local council for refuse collection as there wasn't enough waste to justify a skip. So I don't think Haven treated them fairly by later complaining that they should have kept the doors of these units when it didn't make this clear before it was too late.

I have explained above why I don't think the settlement offer was based on comparable units.

I thought carefully about what appropriate redress in this case should be so far as the undamaged units were concerned. In the case of a more modern kitchen I might have been inclined just to require Haven to contribute towards the cost of new doors for the rest of the kitchen. However, I'm not sure this would have been a cost-effective option here as according to one kitchen quote Mr and Mrs T's kitchen doors were solid wood and a bespoke size. In addition there might well have been the need to replace plinths, cornices, fillers and end panels to match the new doors. So ultimately it seemed to me more straightforward to work on the basis of a contribution to new kitchen units.

In terms of what percentage Haven should pay towards the cost of replacing undamaged units, this isn't a precise science. I have explained above why I think a compromise is the fair and pragmatic way forward. We often recommend that insurers should contribute 50% towards the undamaged items but I have reduced that because of Mr and Mrs T's action in disposing of the undamaged doors which ruled out more economical solutions. Overall I remain satisfied that a 25% contribution towards the undamaged units is fair and reasonable in the circumstances.

My final decision

For the reasons set out above, I uphold this complaint and require Haven Insurance Company Limited to pay Mr and Mrs T 25% of the cost of replacing the undamaged kitchen units and 100% of the cost of replacing the damaged units, in each case including the same proportion of labour costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 16 April 2025.

Elizabeth Grant
Ombudsman