

The complaint

Mrs O complains about the way Accelerant Insurance Europe SA/NV UK Branch (Accelerant) have handled a claim she made under her property's building insurance policy following damage to her property.

What happened

The details of this complaint will be well known to both parties and so I've summarised events. Mrs O owns a leasehold property which was covered under a building insurance policy provided by Accelerant. In April 2022 she submitted a claim to Accelerant following an escape of water at her property. A loss assessor was instructed to deal with the claim on Mrs O's behalf.

In July 2023 Accelerant agreed a claim settlement with the loss assessor and a payment was raised. In September 2023 Mrs O raised a complaint with Accelerant. She said there were still costs outstanding. She was also unhappy with the way the claim had been handled and the attitude of Accelerant's loss adjuster.

On 6 November 2023 Accelerant issued Mrs O with a final response to her complaint. It said a full and final settlement had been agreed with the loss assessor and he had confirmed he felt no further costs were justified. It said it was unable to comment on the attitude of the loss adjuster as it hadn't seen these conversations, but it assured Mrs O no offence was meant. It acknowledged there were delays as correspondence and reports hadn't been reviewed in a timely manner. It said two payments were delayed due to this. It paid £500 compensation and a further £68.18 which it said was interest on the two payments that had been delayed. Mrs O didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. She said she thought Accelerant had caused unreasonable delays during the claim. She thought Accelerant should work with Mrs O to look at paying reasonable costs Mrs O had incurred as long as it falls within the limits of the policy she held. She also thought it should pay 8% simple interest on any amounts due to Mrs O. She said she thought Accelerant should pay Mrs O a further £2,000 for the distress and inconvenience she had been caused.

Accelerant didn't agree with our investigator. It said it hadn't been provided of any evidence of the further costs Mrs O had incurred beyond the agreed settlement. It said it believed the compensation it had awarded was reasonable to acknowledge the distress and inconvenience caused to Mrs O.

Our investigator looked at the further information provided and issued a further view on the complaint. She said she still thought Accelerant should work with Mrs O to establish the extra costs she had incurred and pay 8% per year simple interest on any additional amounts due, calculated from the date Mrs O paid these additional costs to the date Accelerant reimburse her for this. She thought Accelerant should pay a further £250 compensation on top of what they had previously agreed to pay.

I issued a provisional decision on this complaint and I said:

I want to acknowledge I've summarised Mrs O's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs O and Accelerant I've read and considered everything that's been provided. I've addressed the key points separately.

Claim Settlement

I can see from the final report dated 3 July 2023 Accelerant agreed a settlement of £53,000 with the loss assessor. This amount included costs for electricity usage, storage and waste removal. It isn't clear in the report whether this amount was inclusive or exclusive of VAT, however I understand Accelerant have since made an additional payment for VAT.

Mrs O has said this settlement wasn't sufficient for the work that needed to be carried out, She has said she has incurred a further £16,000 worth of costs which are outstanding. Mrs O hasn't provided evidence of these further costs to Accelerant or this Service.

Based on the evidence provided I don't think it was unreasonable for Accelerant to settle Mrs O's claim in this way. The terms of the policy explain Accelerant are entitled to either repair or replace the property, or any part of the property, or make payment in money in lieu of such repairs. The settlement amount was agreed with the loss assessor who was dealing with the claim on Mrs O's behalf. I can also see Accelerant spoke with the loss assessor following the settlement and he said he didn't believe any further costs were warranted.

Accelerant have said if Mrs O can provide evidence of further costs she has incurred beyond the settlement that has been paid it will consider these costs. I think this is reasonable in the circumstances.

I don't think it is reasonable to require Accelerant to pay interest on any additional settlement which may be due. I think it would be fair to award interest if Accelerant had delayed paying an additional settlement Mrs O had demonstrated was due. However Mrs O hasn't provided Accelerant with evidence of the additional costs she says she has incurred, and so it wouldn't be fair to require it to pay interest on additional costs it hasn't been provided evidence of.

Claim handling

The relevant rules explain Accelerant should handle claims promptly and fairly. Accelerant have acknowledged it made errors during the handling of Mrs O's claim. It said there were delays as correspondence and reports hadn't been reviewed in a timely manner, which in turn caused delays in payments being made. It paid £500 compensation to Mrs O, along with £68.18 interest on delayed payments. Therefore I've considered whether this is reasonable to acknowledge the impact caused to Mrs O.

Based on the evidence provided I'm satisfied Accelerant have made errors which have caused Mrs O unnecessary distress and inconvenience.

I think it took longer than it should have done for Accelerant to agree alternative accommodation (AA) for Mrs O. I can see the loss adjuster attended Mrs O's property on 22 April 2022 and in their preliminary report mentions Mrs O's daughter

suffering from breathing difficulties and confirming AA will be required. However I can't see this preliminary report was produced until 29 April 2022 and coverage wasn't confirmed until early May 2022. Given Mrs O's daughter's breathing difficulties I think AA should have been agreed more quickly and this has caused Mrs O unnecessary distress.

I can see there have been periods during the claim where there has been little or no activity from Accelerant. This has caused delays of several months in Mrs O's claim being settled. This has caused Mrs O distress and inconvenience as she had to wait longer than she should have done for her claim to be settled, and repairs to begin on her property.

Mrs O has said there was a delay in her contents being removed from her property. This meant her contents were sitting in damp conditions and have been damaged as a result. Accelerant have said it wasn't dealing with the removal of the contents as this was being dealt with by the loss assessor.

It's not entirely clear from the evidence available whether Accelerant have contributed toward a delay in Mrs O's contents being removed from her property. I can see discussions in June 2022 between Accelerant, Mrs O, Mrs O's loss assessor and Mrs O's contents insurer about the removal of Mrs O's contents. I've not seen evidence of further correspondence in relation to Mrs O's contents until Accelerant's interim report dated 28 July 2022. This report says arrangements were being made for the removal of contents to storage following a site inspection from the contents insurer.

Overall, based on the limited evidence available I don't think it would be reasonable to hold Accelerant responsible for damage caused to Mrs O's belongings remaining in her property. There isn't clear evidence it is responsible for a delay in Mrs O's contents being removed. I also note toward the end of June 2022 Mrs O appointed a new loss assessor which has likely contributed to some delays. And I haven't been provided persuasive evidence from Mrs O showing what items of hers were damaged, and that the damage was caused solely as a result of the items not being removed from the property sooner than they were.

Accelerant have delayed paying Mrs O's AA costs on a number of occasions. I can see she has spent considerable time chasing the agreed payments which could have been avoided had the payments been made within a reasonable timeframe. This has caused Mrs O considerable distress as she has explained she had to borrow money, and was contacted by the landlord of the AA property to tell her she was in breach of contract because a payment hadn't been made.

Mrs O has said she was unhappy with the attitude of Accelerant's loss adjuster. I've reviewed the available communication between Mrs O and the loss adjuster and I've not seen evidence of the loss adjuster displaying a poor attitude. It appears much of the frustration Mrs O had with the loss adjuster was in relation to delays with AA, which I've acknowledged elsewhere in this decision.

Taking into consideration the errors I hold Accelerant responsible for, I don't think the total compensation of £568.18 it has paid reasonably acknowledges the impact on Mrs O. Accelerant haven't taken into consideration the initial delay in agreeing AA and the distress this caused, particularly given the health of Mrs O's daughter. Whilst I think Accelerant have acknowledged it delayed paying Mrs O for AA, I don't think it has appropriately taken into consideration the considerable distress Mrs O was caused by not receiving these payments in a timely manner. Overall, I think total

compensation of £750, in addition to the £68.18 interest payments it has paid, is more reasonable to acknowledge the considerable distress and inconvenience Mrs O has been caused due to Accelerant's errors.'

Accelerant didn't respond to my provisional decision. Mrs O said she removed the second loss assessor in July 2023 when he agreed to a settlement without consulting with her. Therefore, he wasn't representing her when he subsequently spoke to Accelerant. She also said no payment was agreed for electricity costs as the reinstatement works didn't begin until August 2023.

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've reached the same decision as I did previously, for the same reasons I've explained.

Mrs O has said she doesn't believe the settlement included electricity costs as the reinstatement works didn't take place until August 2023. I can see from the loss adjustor's final report dated 3 July 2023, electricity usage costs of £380 were included as part of the final settlement. So, it appears electricity costs were taken into consideration as part of the settlement. In any event, Accelerant have agreed to consider further costs Mrs O can evidence she has incurred, and so if Mrs O doesn't believe the settlement was sufficient, she can look to provide the evidence of this to Accelerant.

Mrs O has said she removed the second loss assessor in July 2023 when he agreed a settlement without consulting her. I think it was reasonable for Accelerant to agree the settlement with the loss assessor as he was acting on Mrs O's behalf at the time this was agreed. And again, if Mrs O has incurred further costs beyond the settlement that was agreed, she can look to provide evidence of these further costs to Accelerant for it to consider.

My final decision

For the reasons I've outlined above I uphold Mrs O's complaint about Accelerant Insurance Europe SA/NV UK Branch. I require it to:

- Consider any additional costs Mrs O can evidence under the terms of the policy
- Pay Mrs O a total of £750 compensation
- Pay Mrs O a total of £68.18 interest

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 6 May 2025.

Andrew Clarke
Ombudsman