

The complaint

Miss H complains about Ageas Insurance Limited's ('Ageas') handling of her home insurance claim and the settlement amount it agreed to pay.

References to Ageas include its agents.

What happened

The events of this complaint will be well known to both parties, so I'll only briefly summarise what happened here.

In March 2023, Miss H had a contractor inspect her home after noticing some damage. This contractor said there was damage to the kitchen and living room which had been caused by separate leaks. So, Miss H contacted Ageas to make a claim on her home insurance policy.

In May 2023, Ageas appointed a loss adjuster to carry out an inspection, and following this a leak detection specialist was instructed to inspect. The leak detection specialist concluded that an external source of water was likely the cause of the issue and that there were no leaks present on any of the internal plumbing in the property. Ageas subsequently declined the claim as it didn't think the damage to have been caused by an event which the policy covers.

Miss H made a complaint about this, and about comments she'd seen in one of Ageas's loss adjuster's reports which she thought alleged she'd acted fraudulently.

Ageas provided a final response to this complaint on 6 October 2023. In this final response, Ageas said it had now reviewed the claim further and was satisfied Miss H had provided enough evidence to show the damage to the kitchen was covered. However, it thought the damage to the living room was caused separately by rising damp which wasn't covered under the policy. So, it maintained its decision to decline the claim for the damage to the living room.

In response to the fraud comments, Ageas said it would expect any concern about costs or damages that may have been inflated to be noted in the adjuster's report. But that it didn't have any concerns of its own that the claim was fraudulent. However, as a gesture of goodwill, Ageas agreed to pay £300 compensation.

Ageas resumed its review of the claim for the kitchen damage and agreed to pay a cash settlement. But Miss H disputed the amount offered. Ageas provided two more final responses to complaints Miss H made. I'll summarise these final responses:

- On 15 February 2024, Ageas provided a final response to a complaint about delays in offering the cash settlement and not responding to correspondence sent by Miss H. Ageas agreed there were some delays and misinformation provided and in recognition of this, it agreed to pay Miss H £400 compensation. Ageas also confirmed it would cover the £504 cost for leak detection and confirmed the cash

settlement it had agreed was £2,208.27 for the building works, and £2,637.50 for the drying costs for the kitchen.

- On 31 May 2024, Ageas provided a final response to a complaint about additional delays. Ageas didn't uphold this complaint saying it didn't think it had caused any further delays.

Our investigator didn't think Ageas had acted fairly. In summary, she said:

- Miss H didn't bring her complaint to us within six months of the final response Ageas sent on 6 October 2023, so we couldn't consider Miss H's complaint about the damage to the living room being declined.
- Ageas had given Miss H the choice between it carrying out the repairs, or a cash settlement, and Miss H chose a cash settlement. So, it was reasonable for Ageas to settle the claim based on what it would have paid to carry out the repairs, rather than what it would cost Miss H.
- Ageas agreed to cover half the cost of the total invoice for the drying, to account for the drying of the kitchen. But it didn't agree to pay the additional electricity costs Miss H incurred for this, so it should settle the cost of the electricity costs Miss H paid for running the drying equipment in the kitchen.
- Miss H requested the kitchen floor be removed for drying as she thought there was moisture trapped underneath the tiles. But it wasn't unfair for Ageas to decline this cost as there wasn't enough evidence to show moisture had gotten underneath the tiles.
- Ageas should include in the scope of works the cost of removing and refitting the kitchen worktop. But it doesn't need to cover the cost of replacing the kitchen worktop as it hasn't been shown it cannot be removed and refitted without being damaged. Additionally, it isn't unfair for Ageas not to cover the cost of replacing the kitchen wall tiles as it hadn't been shown removing the kitchen worktop would damage these. However, Ageas should cover the cost of removing and reinstalling the kitchen hob as it looks likely this would need to be replaced to allow replacing plaster on the kitchen walls.
- It wasn't unfair that Ageas didn't agree to cover the cost of replacing undamaged kitchen doors as Miss H hadn't provided enough to show she couldn't find replacements which reasonably matched.
- Although there were service issues and delays on the claim, £400 was fair and reasonable to put this right.

Ageas replied accepting the investigator's opinion, but Miss H did not agree with it. So, the complaint was referred 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've decided to uphold this complaint. I'll explain why.

I should start by saying while I've read and considered everything Miss H and Ageas have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

I've firstly thought about whether the complaint about the damage to the living room being declined can be considered.

Our powers to consider complaints are set out in the Financial Service and Markets Act 2000 (FSMA) and in rules, known as the Dispute Resolution Rules ('DISP') written by the Financial Conduct Authority ('FCA') and contained within the FCA handbook.

These rules say we can't consider a complaint that has been referred to us more than six months after the date of the final response letter unless the respondent business consents to us doing so, or the ombudsman considers the failure to refer the complaint in time is down to exceptional circumstances. The relevant rule which sets this out is DISP 2.8.2 R (1) in the FCA Handbook - a copy of which can be found on the FCA's website.

Ageas provided Miss H with a final response on 6 October 2023 which addressed the decline of the claim for the living room damage. This final response contained the correct information advising Miss H if she remained dissatisfied, she could refer her complaint to us and would need to do so within six months of the date of the final response. It also confirmed that if the complaint was brought to us outside of this timescale, we would not have Ageas's permission to consider the complaint.

Miss H first approached us about her complaint in August 2024, so she was outside the six month deadline for the issues addressed in the 6 October 2023 final response. As such, I'd only be able to consider this part of the complaint if the complaint was brought to us late due to exceptional circumstances.

Miss H said she provided new evidence to Ageas about the living room after the final response and she thinks this constitutes a new claim. But I don't agree. I think this was simply new evidence relating to an existing claim given it was about the same loss as before.

Miss H submitting new evidence to Ageas didn't mean that the six-month time limit for her to bring a complaint to us about Ageas's decision to decline the claim for the damage to the living room would no longer apply. However, I've considered if Ageas provided any subsequent responses to Miss H's follow up on the living room part of the claim which suggested it withdrew its previous final response and was providing a new final response - as if that were the case, this could have created a new six-month deadline.

Having done so, I don't think Ageas said anything more which either explicitly or implicitly meant its final response from 6 October 2023 about the living room claim was withdrawn. As such, I think the six-month time limit set out in its final response of 6 October 2023 remained in place. And given that Miss H continued to communicate with Ageas following its final response of 6 October 2023, I don't think there were any other exceptional circumstances which would have prevented Miss H from contacting us to ask us to look at her complaint about the living room damage being declined.

So, I find that the part of the complaint about the decline of the claim for the damage to the living room is time barred and can't be considered. And because of this, I won't be making any findings on the merits of this part of the complaint.

I've next considered if the settlement was reasonable for the damage to the kitchen.

The terms and conditions of the policy say that Ageas will repair, reinstate or replace the property and if it cannot do so it will pay a cash settlement. Miss H was given the option by email for Ageas to carry out the repair work or for a cash settlement. So, I think since Ageas offered to carry out the repair work and Miss H opted for a cash settlement, it's reasonable for Ageas to have based the cash settlement on what it would have paid had it carried out the repairs.

Ageas agreed to cover half of the total cost for the drying equipment, but didn't agree to cover the cost of electricity to run the equipment. Ageas has now agreed to pay half the cost of the additional electricity costs Miss H incurred. I think that's reasonable since both the living room and kitchen were dried but only the kitchen is included in the claim. But Ageas should add eight percent simple interest per year to this payment calculated from the date the electricity bill was paid to the date of settlement.

I've reviewed the evidence relating to the floor tiles, including the photos. Ageas didn't agree that water had gotten underneath the floor tiles. Its adjuster said in their report Miss H hadn't seen any water inside the sink base unit or on the tiled floor surface and they thought it more likely given the solid adhesive base to the tiles that any water leaking from the sink waste pipe would present in the base unit or on the tiled floor rather than underneath. I've also reviewed the photos provided, Miss H's comments, and the reports from the surveyor she appointed. But on balance, I don't think there's enough to show water has penetrated underneath the tiles or caused damage underneath the tiles. So, I don't think it was unfair Ageas didn't include this in the claim settlement.

Miss H said that the cost of replacing her kitchen worktop should be included in the scope of works because to carry out the repair works will require removing the worktop which cannot be done without damaging it in the process. Miss H also says that removing the worktop will damage the kitchen wall tiles, so the cost of replacing these should also be included in the scope.

Since the kitchen worktop and wall tiles weren't directly damaged by the escape of water, I don't think it would be fair for Ageas to include the cost of replacing these unless damaging them proves unavoidable to access and repair the damage that was caused by the escape of water. Having considered the evidence provided, I don't think there's enough to say the worktop cannot be removed and reinstalled without damaging it, or by doing so the kitchen tiles will be damaged. So, I'm not persuaded it's unfair these items weren't included in the scope of works.

However, I agree with the investigator that if when the worktop is removed it and/or the kitchen tiles are damaged, and Miss H can provide evidence showing what caused the damage and that this damage could not reasonably be avoided in order to carry out the repairs, Ageas should consider further the cost of replacing these items. Additionally, the investigator recommended Ageas include the cost to remove the hob within the settlement on the basis she thought it likely necessary this happen for the repairs to be carried out. I think that's reasonable, and I haven't seen anything more to show why this shouldn't be included in the scope.

Miss H also thinks that Ageas should have included the cost of replacing undamaged kitchen doors in the scope of works. I acknowledge the policy terms do provide cover for the cost of replacing undamaged items that form part of a set. But this is conditional upon it not being possible to find replacement which match. Looking at the photos of Miss H's kitchen, the doors do not appear to be of an usual or bespoke design, and I don't think there's sufficient evidence to show a match for the existing doors cannot be found. So, I don't think it's unfair for Ageas not to cover the cost of replacing the undamaged doors.

Lastly, Ageas acknowledged that there were some issues with the way the claim was handled including delays and items which hadn't been included in the scope of works. It agreed to pay £400 in recognition of the distress and inconvenience this caused to Miss H which I think is fair and reasonable and in line with our award levels for the impact caused. However, I think Ageas should pay interest on any items that weren't originally included and paid in the scope of works and which were agreed and added later.

Putting things right

I require Ageas to do the following:

- Pay Miss H £400 compensation, if it has not done so already.
- Pay Miss H half of the cost of her additional electricity usage while her property was being dried and add eight percent simple interest per year to this payment calculated from the date the bill was paid to the date of settlement.
- Cover the cost of the worktop and hob removal and refitting. If it is not possible to remove the worktop without it, and/or the kitchen tiles being damaged in the process, Ageas should consider further the cost of replacing these items providing that Miss H provides evidence showing how they were damaged and that the damage was unavoidable to complete the repair.
- Pay Miss H eight percent simple interest per year on any additional items that were later agreed following the original settlement and calculate this from the date of the original claim settlement payment to the date of any additional payment.

If Ageas considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss H how much it's taken off. It should also give Miss H a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint, and I require Ageas Insurance Limited to carry out what I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 June 2025.

Daniel Tinkler
Ombudsman