

The complaint

Ms B complains that AA Underwriting Insurance Company Limited ('AA') underpaid the settlement on a claim she made on her home insurance policy.

What happened

Ms B's home suffered damage following an escape of water, so she contacted AA in April 2023 to make a claim on her home insurance policy. Ms B appointed a loss assessor to assist her with the claim, who is also acting as her representative for this complaint.

Following its investigations into the claim, AA agreed to a cash settlement of £7,146.77 and made a further payment of £107.99 on 17 April 2024. However, the settlement was disputed by Ms B's representative who complained that there was a shortfall in the settlement amount due to trace and access costs being omitted.

AA provided a final response to this complaint on 3 June 2024. In the final response, it didn't uphold the complaint saying there wasn't a shortfall on the claim and that the cost of the trace and access had been included in its settlement.

Our investigator didn't think AA had acted unfairly. She reviewed the evidence relating to the costs paid and thought this showed the trace and access cost was included in the claim settlement.

Ms B's representative replied disagreeing with this. In summary, he said:

- There was no indication from AA the trace and access cost was included in the scope of work, and AA had provided no documentation to show this was included.
- The full financial breakdown is £7,254.76 for reinstatement work and £540 for trace and access amounting to a total of £7,794.76. However, the payment from AA was £7,254.76 including VAT.
- The scope of works dated 7 August 2024 explicitly did not show trace and access and showed different wall tile quantities and costs from his scope.

Because Ms B's representative didn't agree on behalf of Ms B to the investigator's opinion, 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, while I understand Ms B will be disappointed, I've decided not to uphold this complaint. I'll explain why.

It isn't in dispute that trace and access was to be included in the settlement, nor is it disputed that AA agreed to a settlement. The issue in dispute here is whether that settlement included the cost of the trace and access work. AA says it was included, but Ms B's representative says it wasn't and that AA need to make a further payment. So, I've considered if AA has shown it included the trace and access cost in its settlement.

Ms B's representative has provided copies of two invoices. One is dated 15 February 2024 and totals £7,254.77 for reinstatement work. The other is dated 26 June 2023 and is for a total of £540 for trace and access work (inclusive of £90 VAT).

The representative said the total for reinstatement work and trace and access is £7,794.76 but the payment from AA was £7,254.76. The resulting difference is therefore £540, which aligns with the amount AA said in its final response was being claimed as a shortfall.

AA said it thinks the confusion has arisen because a separate invoice for £540 was submitted for the trace and access work but it had already included this cost in the scope of works it provided Ms B in December 2023.

AA has provided a breakdown of payments made by BACS to Ms B. This breakdown totals £7,146.77 and includes a combination of items described as 'on-schedule scope' and 'off-schedule scope'. AA paid an additional £107.99 in April 2024, so adding this amount to this total aligns with the total settlement amount of £7,254.76. One of the items on this breakdown was for £540, with the description 'Off-Schedule Scope Items / Trace & access'.

So, I think this breakdown shows payment for the trace and access work was contained within the £7,146.77 total.

I've also reviewed the scope of works provided. Ms B's representative said the trace and access wasn't included in AA's documentation and specifically referred to this cost not being included in the 7 August 2024 scope of works.

I've reviewed the 7 August 2024 scope of works, and I don't dispute the trace and access cost wasn't included in this. But the total stated on this scope of works was only £4,734.46, which doesn't align with the actual settlement total of £7,254.76.

AA has provided a copy of a scope of works dated 5 December 2023 which gives a total of £7,254.76 – which does align with the settlement total. This scope of works included a sub-total of £2,038.20 for the bathroom works and within the breakdown for those works is an entry for a cost of £540 with the description 'leak detection'.

Since the total for this scope of works matches the total claim settlement, and this scope of works included within it an entry for leak detection – consistent in both cost and description to the reported shortfall for trace and access – I think this also shows the £540 trace and access cost was included within the £7,254.76 settlement.

So, based on the breakdown of payments and 5 December 2023 scope of works both being consistent with the total settlement amount of £7,254.76, and both explicitly containing a £540 cost for trace and access/leak detection works, I think AA has reasonably shown that it already included the £540 trace and access cost in its settlement and that there was not a shortfall for this cost. As such, I won't be requiring AA to increase the settlement payment.

Ms B's representative said AA's scope of works contained a discrepancy for wall tile quantities and costs from his scope of works. But I haven't seen anything showing that was already complained about to AA. So, I won't be making a finding on that here and if Ms B

believes there was a separate issue with the scope of works unrelated to the trace and access costs, she'll first need to make a new complaint directly to AA.

Lastly, I acknowledge AA provided a final response to a complaint about delays on this claim on 22 November 2023 and I note the complaint form submitted to this Service discussed the delays on the claim.

Our investigator didn't make any findings on the merits of the complaint about the delays, saying that the complaint was brought to us more than six months after the final response which addressed these delays, so it would be time barred. She also said Ms B's representative had confirmed Ms B only wanted to refer the complaint about the claim value to us.

Ms B's representative replied to the investigator's opinion saying the first complaint about the delays had already been resolved by AA.

Although I think the complaint form did suggest the delays formed part of the complaint that was being referred to us, I won't be making any findings about the delays for the same reasons as the investigator.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 30 May 2025.

Daniel Tinkler
Ombudsman