DRN-5598568

Financial Ombudsman Service

The complaint

Miss Y's complained about the way Ageas Insurance Limited have handled the claim she made after there was an escape of water at her home.

What happened

The history of this matter is well known to both parties. So I won't repeat it all here. But, to summarise, towards the end of 2022, Miss Y's home was damaged by an escape of water from an inbuilt sprinkler system. So she made a claim on the home insurance policy she held with Ageas.

Unfortunately, the claim has suffered from significant delays and is still ongoing. Miss Y first contacted the Financial Ombudsman Service about this in summer 2023. Ageas accepted their service to her had fallen short and, at the end of 2023, they paid Miss Y £750 compensation to resolve her complaint.

In July 2024, Miss Y contacted our service again. She told us she was unhappy that the repairs to her home were still being delayed. And she was concerned that the contents of her home weren't being properly cared for and additional damage had been caused by the contractors who were dealing with repairs. And she said that Ageas weren't making adjustments in their processes to accommodate her mental health needs.

Our investigator reviewed all the information provided by both parties and concluded Ageas needed to do more to resolve Miss Y's complaint. She confirmed she could only consider issues that had arisen between November 2023 and Ageas offering Miss Y a cash settlement in August 2024.

Between these dates, the investigator noted Miss Y had complained that several different contractors had been at her property - but there were also weeks when no work was done. She identified several periods of delay by Ageas for which she could find no good reason. But she also said some delay occurred as a result of Miss Y's mental health, which prevents her from making snap decisions.

The investigator noted that Miss Y was shocked to be offered a cash settlement and was worried about whether she could deal with repairs herself. She established this was because the chosen contractor terminated their contract because they felt Miss Y didn't trust their work. Miss Y had previously said she wasn't confident in the other contractors who tendered for the work. So Ageas were left with no-one who could deal with it.

The investigator said Ageas should pay Miss Y £450 compensation for what had happened. Following representations from Miss Y, the investigator increased her recommendation to £750 to take account of the fact Miss Y had to chase Ageas a number of times when her alternative accommodation needed to be extended and that Miss Y had sought therapy to help her deal with the ongoing issues.

Ageas agreed with our investigator's view. Miss Y didn't. So the matter's been passed to me to make a decision.

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 that, I'm upholding Miss Y's complaint. But I don't think Ageas need to do more than they've already agreed to resolve it. I'll explain why.

I think it would help if I start by clarifying my role and that of our service. We consider whether businesses have dealt with their customers fairly and reasonably in all the circumstances of a matter. That doesn't mean we say businesses should be perfect. Mistakes do, unfortunately, happen. When they do, we look at what went wrong, and whether that was the business's fault. If we decide something went wrong, and the business was responsible, we tell them what they need to do to put things right for their customer.

But we only look at the impact of what's happened on that particular customer – we can't say a business should pay compensation to punish them, or to make an example of them. And we can only make an award for distress and inconvenience caused by the business doing something wrong – not for the stress a customer will almost always suffer as a result of having to make an insurance claim. And we can only look at a complaint about something which has happened and has been raised as a complaint with the business – not at something which might occur in the future.

So, while I'm completely certain from everything I've seen that Miss Y has suffered an enormous amount of distress and inconvenience as a result of what's happened, I have to limit what I consider to Ageas' actions – I can't compensate her for the stress she's been caused by the claim itself. And, while I understand her anxiety about what may happen going forward, I can only look at what has happened – not what might.

There's no dispute the claim has been going on for a very long time. This was the result of a number of factors. But, from the evidence I've seen, I agree with our investigator that about 10 weeks of the delay were Ageas' responsibility.

Miss Y is unhappy that Ageas are now offering a cash settlement for the work that remains outstanding. I understand her concern that this places a greater pressure on her to arrange for completion of the works herself.

But this situation has arisen because the contractors selected for the work withdrew following what they felt was Miss Y's criticism of their workmanship. And these contractors were selected because Miss Y had expressed reservations about the others who tendered for the work. Ageas have explained they have no alternative contractors left to offer. They've agreed to work with Miss Y's surveyors to agree the remaining works ahead of cash settling. In these circumstances, I can't say it's unreasonable to offer a cash settlement. Like our investigator, I hope it will give Miss Y the control over the work that she wants.

And I hope that control will help address Miss Y's fears about her alternative accommodation running out because she'll be able to decide how and when the work will be done. The most recent figures for the period of this complaint show just over half of the alternative accommodation sum insured had been used. I'd expect Ageas to alert her if she's approaching the limit of that cover, as I know she's concerned about this. But alternative accommodation is still ongoing in line with the policy terms. So there's nothing I can look at here.

Nor can I make any finding about Miss Y's concerns that her belongings may be damaged in storage – I can only consider a complaint that they have been. If Miss Y finds they have been damaged, she can make a separate complaint to Ageas about this.

I'm aware Miss Y says a chair left at the property has been damaged. She's provided an assessment to support this from the retailer she bought it from. I know Ageas have disputed the chair has been damaged as a result of remaining in the property and have said it can't be moved due to its weight and position in the house.

I've looked at this. But I've not seen the assessment Miss Y obtained has been made available to Ageas – so I don't think it's fair for me to make a finding before this.

Putting things right

Miss Y has provided us with a great deal of information about her mental health. I was very sorry to read how unwell she's been throughout the claim.

But, as I explained above, I can only say Ageas should compensate Miss Y for the distress and inconvenience she's been caused by shortcomings in their handling of her claim. I can't say they should compensate her for the stress caused by the claim itself. And, while I fully understand the difficulties Miss Y has in coming to a decision, and her high levels of anxiety, I can't say Ageas should compensate Miss Y for this.

Having focused on these shortcomings, I agree with our investigator that £750 is a reasonable amount of compensation for Ageas to pay Ms Y.

My final decision

For the reasons I've explained, I'm upholding Miss Y's complaint about Ageas Insurance Limited and directing Ageas to pay Miss Y £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 31 July 2025.

Helen Stacey
Ombudsman