

## The complaint

Mr and Mrs P have complained about the way Advantage Insurance Company Limited handled a claim under their home insurance policy for damage caused by a water leak.

## What happened

In March 2023 Mr and Mrs P made a claim to Advantage for damage caused by a water leak behind the wall tiles in the shower. Advantage accepted the claim and appointed a contractor to carry out repairs. The contractor couldn't start until the leak had been repaired in June 2023.

Advantage didn't actually start work until December 2023. It provided a bathroom pod for use while their bathroom was being repaired. Mr and Mrs P weren't happy with the quality of the repairs. So they asked Advantage to cash settle the rest of the claim.

In August 2024 Advantage offered a cash settlement of £2,520.76 for the poor workmanship. This included £838.72 for work to the bathroom. Mr and Mrs P didn't think Advantage had allowed enough for the work required to reinstate the bathroom to its pre-loss condition. They said they'd been quoted over £8,000 to make good the bathroom.

In addition Advantage offered them £250 compensation for the delays, lack of communication and poor workmanship. Mr and Mrs P didn't think this was enough.

Mr and Mrs P referred their complaint to this service. Our Investigator recommended that Advantage should:

- pay Mr and Mrs P £1,682.04 for the workmanship issues (being the amount offered of £2,520.76 less the £838.72 for the bathroom);
- carry out a lasting and effective repair to the bathroom; and
- pay Mr and Mrs P £600 compensation for the distress and inconvenience caused by the delays and poor workmanship.

Advantage has since paid the £600 compensation and the settlement of £1,682.04 less the policy excess of £750. It thought its offer of £838.72 for the bathroom works was fair. As Advantage didn't agree with our Investigator's view, the matter was referred to me. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

*"As the amount payable for the poor workmanship to areas other than the bathroom has been agreed and also the compensation for trouble and upset, I don't need to consider those matters further.*

*It also doesn't appear to be in dispute that there was poor workmanship by Advantage's contractor in the bathroom. The question I need to decide is what Advantage should do to put that right. It has said that its contractor is not willing to rectify the work and in any case Mr and Mrs P do not appear to want that. Its offer of £838.72 seems to be based on what it would have paid its contractor to remedy the issues. I don't think that's fair as insurers often*

*have preferential terms with their contractors that tend to be below the market rate. As Advantage started repairs, it's not entitled to settle the claim on the basis of what it would have paid. I think it's only fair that it should pay Mr and Mrs P what it will cost them to put its poor workmanship right.*

*Advantage hasn't provided a breakdown of what work its offer of £838.72 covered. But it objected to Mr and Mrs P's quote on the basis that it included more work than it considered necessary. So I think the first step is for the parties to agree exactly what work needs to be done to provide an effective and lasting repair to Mr and Mrs P's bathroom. If they can't agree that, a surveyor should be instructed (at Advantage's expense) to draw up the scope of works. Advantage should then pay Mr and Mrs P the reasonable cost to them of carrying out such work based on the lowest of three separate quotes."*

Mr and Mrs P accepted my provisional decision. In summary Advantage made the following points:

- Our Investigator had said in his view of the complaint that Mr and Mrs P were happy with the offer of £838.72 for rectifying the bathroom.
- It had raised a payment of £838.72 to Mr and Mrs P.
- Its contractor would not be willing to carry out the rectification works.
- It thought its offer of £838.72 for the bathroom was fair but would review it if Mr and Mrs P provided quotes for the snagging works which showed that it was insufficient.

### **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 for the reasons set out in my provisional findings. As part of this, I've carefully considered the comments received.

Having checked with our Investigator I can confirm that there was a mistake in his view when he referred to the proposed settlement for the bathroom being acceptable to Mr and Mrs P and would like to apologise on behalf of our service for any confusion caused by this. As subsequent correspondence has made clear it was never acceptable to Mr and Mrs P.

Until the scope of the reinstatement works is agreed, this claim can't progress any further. So in resolving this matter fairly, it's of great importance that this is agreed first. It's not my role to decide what work needs to be carried out to reinstate the bathroom to its pre-loss condition. I remain of the view that if the parties can't agree this within a month from the date that Mr and Mrs P accept my final decision (if indeed they do so), the matter should be referred to an independent surveyor who should have expertise in this area. In order to ensure that this is a fair process, I require Advantage to provide Mr and Mrs P with the names of three independent surveyors so that Mr and Mrs P can select the one they feel is most suitable. The surveyor should be jointly instructed by the parties but at Advantage's expense.

As consumers, Mr and Mrs P won't be able to get the necessary works done for the same price that would pay – they can expect to pay market rates. So I think it's only fair that Advantage should then pay Mr and Mrs P the reasonable cost to them of carrying out such reinstatement work as is agreed between the parties or determined by the independent surveyor based on the lowest of three separate quotes.

## **Putting things right**

To put things right I think Advantage should:

- (unless the parties agree the scope of works) instruct at its expense a surveyor to draw up the scope of works necessary to provide an effective and lasting repair to the bathroom; and
- offer a cash settlement for the reasonable cost to Mr and Mrs P to have such work carried out based on the lowest of three separate quotes (less any sum already paid in this regard).

## **My final decision**

For the reasons set out above, I uphold this complaint and require Advantage Insurance Company Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 1 July 2025.

Elizabeth Grant  
**Ombudsman**