

## **The complaint**

Mrs d complains that QIC Europe Ltd haven't covered all her costs arising from her claim for fire damage to her house and have provided poor service.

## **What happened**

Mrs d held a buildings insurance policy with QIC.

In July 2022 Mrs d made a claim following her property being damaged after a fire in a neighbouring property.

Mrs d has been unhappy about the progress of the claim, the settlement offered, and what was included on the scope of works. Mrs d initially made a complaint in 2023, and QIC responded to this complaint on 11 May 2023. The claim progressed and a further complaint was made, which QIC responded to on 5 November 2024.

In that final response, QIC have accepted that they are responsible for some of the delays and offered £500 compensation for distress and inconvenience.

Mrs d wasn't happy with this and says that she has incurred significant expense in legal fees and professional fees to help her with her claim, and she would like these costs to be met, as well as her additional alternative accommodation fees. And so, she brought her complaint to us.

One of our investigators looked into Mrs d's complaint. He thought that QIC's offer of £500 was fair, and he didn't uphold the other aspects of her complaint.

Mrs d disagreed with our investigators view, and so the case came to me to review.

## **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.

Mrs d has made two complaints to QIC. They issued a final response on the first complaint on 11 May 2023, but this complaint was time barred by our service on 10 June 2024. So, this decision only considers events from May 2023 until the final response of 5 November 2024. I understand that a lot of Mrs d's dissatisfaction during the period I can look at is set against the background of the first complaint and includes concerns about her initially being offered a cash settlement that was inadequate for the repairs. However, I'm not able to comment on that, nor to consider any of QIC's actions during that earlier period as this was the subject of a previous complaint which determined that complaint was out of time.

In respect of the time period that I am looking at there are three main issues, but having considered them, I don't think QIC need to do anything further and I'll explain why.

## Delays and service

Claims of this nature always take some time to be resolved, especially when there is a third party involved, and we understand that any damage to a home, especially when it involves having to move out because of damage, will cause distress and worry. But when we are looking at complaints about how a claim has been handled, we can only compensate for any additional distress and inconvenience that has been caused by shortcomings in how the claim has been handled, which might include delays, poor communication well, or poor quality repairs, amongst other things.

QIC have said that while they accept that some delays are their fault, much of the delay has been caused by the third-party neighbours work not being completed until 2024. They also say that Mrs d's representatives have contributed to the delays by putting barriers up to the progression of the claim.

It's clear that Mrs d had lost faith in QIC by the time of the complaint I am looking at and so she had engaged the services of a loss assessor and a solicitor to help her, and legal proceedings were started.

However, the claim notes record that at the beginning of June 2023, following communication between the complaints manager and Mrs d, she agreed to cease any litigation as long as the alternative accommodation (AA) payments were brought up to date and continued, and buildings work was restarted. Mrs d also asked for all communication to go through solicitors in writing. So, it seems a plan for moving forward was agreed.

A meeting took place at the property between all the parties in July 2023, after which QIC contacted Mrs d's legal representatives and explained that it was agreed that work couldn't be started until the repairs were completed on the third-party property next door because the party wall was affected. A full report was sent later that month.

In July 2023 the claims handlers confirmed to Mrs d's legal representatives that

*"Until the party wall works are carried out by the neighbour to both party walls, we would not be able to complete and further inspections to understand the extent of works to the insured property or the party wall. This all relies on the neighbour as I have made you aware have written to the neighbour and the building contractor who was appointed by the neighbour. We now need to write further to the neighbour following this report to advise of the ongoing damage and the additional claim that will be made against them.*

*As I'm sure you will appreciate this may not help with negotiations with the neighbour and the insureds appointed representative who are dealing with the matter. We cannot proceed in terms of the items covered under the policy and in fact until appropriate works are completed by the neighbour, damage will be continuing. I will therefore ask the legal team responsible for recovering our losses to hold off sending his letters until you have had time to consider and respond. I feel that a joined-up approach on this matter would be more sensible, where we agree to appoint yourself to handle both insured and uninsured losses."*

Mrs d's solicitors were unhappy with this approach and refer to QIC as "sitting back" rather than being proactive. They suggest there should be legal action against the third party to complete the structural repairs, and for uninsured losses. QIC agree to Mrs d's solicitor taking those legal steps and agree that they will pay them rather than instruct their own solicitors, but there follows some communication about the costs, as Mrs d's solicitors rates

are higher than QIC's own solicitors and the third party repairs then seem to eventually proceed without any intervention.

There are further communications and site visits, and in November 2023 it was confirmed that the work to the neighbouring property would be completed by the end of January 2024, which it was.

Taking this all into account, as work wasn't completed on the party wall until January 2024, I don't think I can fairly say that QIC caused the delays up to that point.

After the third-party work was completed, a further joint site visit was arranged and a further scope prepared based on what repairs were now needed. This scope was sent to Mrs d's representatives, and they disputed it in April, so further discussions commenced and there were some additional delays due to a contractor being on leave. However, work did start, and the discussions about scope between the parties continued whilst it was ongoing.

Having viewed all of the claim notes and correspondence between the parties during this period, I think that some of the delay between January 2024 and November 2024 appears to have been caused by QIC, but Mrs d's representatives have also contributed to this and while some of the emails between them disagreed on scope and how to progress the restoration, strip out, drying and repairs, work was ongoing during that period alongside the discussions, so the impact was mitigated to an extent.

Our guidance says that a compensation award of between £300 and £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months.

I'm satisfied that the delays would have caused some distress and inconvenience, but as work was still ongoing during that period, and Mrs d was in AA, the impact was reduced, and so I'm satisfied that the £500 offered by QIC is fair for delays during the period I can consider.

### **Payment of legal and professional fees**

Throughout the period from May 2023 to August 2024, QIC confirmed several times to Mrs d's legal representatives that QIC would not cover their professional fees, nor those of any loss assessor.

In August 2023 there was communication between Mrs d's legal representatives and QIC about them being instructed to do some preliminary work issuing letters to building control, a letter before action and dealing with insured and uninsured losses. However, I can't see that this was ever progressed because fees couldn't be agreed on.

In November 2023 QIC also confirm that they are happy to approach their panel of solicitors to deal with insured and uninsured losses for Mrs d on a conditional fee arrangement.

While I can understand that Mrs d had lost some confidence in QIC and she wanted to engage professional help, I haven't seen sufficient evidence that it was necessary in order to progress the claim. It has been accepted that the initial cash offer from QIC was premature and inadequate following a further site visit, and I can see that QIC and their agents were making efforts to progress the claim and were flexible as the claim progressed, including additional work as it became apparent it was needed.

I appreciate that Mrs d was experiencing difficult personal circumstances at the time and felt more confident leaving matters in the hands of her own professional team, but I could only direct that these fees were paid if their involvement was essential to the progress of the claim, and I'm not satisfied that it was.

### **Alternative accommodation**

QIC confirmed several times during the period I am looking at that AA costs would be met beyond the limit of liability of £100,000 provided they received invoices, and work was progressing. However, Mrs d says that several times the payments weren't made on time.

I can see that a payment was made in November 2022 for the period 1 September 2022 to 9 December 2022. This is before the period I can consider.

In June 2023 Mrs d says she sent evidence of costs from December 2022, and QIC raised a query with her about it, asking for a breakdown of the invoice. This was supplied and she was subsequently paid.

In January 2024 Mrs d's solicitor chased for the payments due since June 2023. He then submitted invoices, and settlement was made in March 2024 for the period up until February 2024. This was confirmed to the solicitor.

In October 2024 Mrs d submitted AA costs from February 2024 – September 2024 which were paid.

I can see from the claim notes that the AA expenses were not paid on a regular monthly basis, but it seems to be because the invoices weren't submitted regularly, and on occasion QIC had to ask for the information to validate those costs. And so, I can't see that there was any delay in making these payments that QIC are responsible for. All the payments for the period that concerns me have been made, and so I won't be making any further recommendation.

I understand that the £500 compensation that QIC offered has awarded has already been paid to Mrs d and so I'm not recommending anything further.

I also note that during the time this complaint has been with our service, Mrs d has raised ongoing issues about the claim. As these are issues that have occurred since November 2024, they would need to be the subject of a new complaint.

### **My final decision**

My final decision is that I'm not upholding Mrs d's complaint about QIC Europe Ltd, and they don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs d to accept or reject my decision before 5 November 2025.

Joanne Ward  
**Ombudsman**