

The complaint

Mr and Mrs H have complained that Red Sands Insurance Company (Europe) Limited (“Red Sands”) hasn’t paid them the increased rate for repairs to their windows, following delays in its handling of their claim.

What happened

Mr and Mrs H had new windows installed in 2015 and were provided with a ten-year warranty, to cover defective workmanship, faulty materials and breaches of building regulations.

In February 2024, they made a claim under the warranty as they’d noticed excessive window noise and condensation. Red Sands accepted the claim and said it would settle it based on a quote Mr and Mrs H had provided from a double-glazing company.

The agreed settlement came to £836 based on that initial quote. But Red Sands delayed in providing the settlement to Mr and Mrs H, and the double-glazing quote increased during that time. In June 2024, Mr and Mrs H provided their new quote to Red Sands, which came to £1,044 including VAT.

Mr and Mrs H proceeded to have the rectification work carried out at the higher cost. But Red Sands didn’t agree to cover the cost of the new quote, instead paying the initial settlement offer of £836.

Mr and Mrs H made a complaint. They said the claim had taken too long to resolve and they were now out of pocket due to the increased cost of the work. In its response to their complaint, Red Sands said there had been a two-month delay in it reviewing the claim, due to an unprecedented volume of contact by customers, which was resulting in lengthy wait times. It apologised and offered Mr and Mrs H £50 compensation for the delay.

Mr and Mrs H didn’t accept Red Sands’ response. They said they’d contacted Red Sands a number of times only to have received no satisfactory response. It had taken until June for the claim to be approved – and in September they still hadn’t received an answer about their increased quote. So they referred their complaint to this service.

Our Investigator considered the complaint, and recommended Red Sands increase the settlement amount to cover the cost of the new quote, and increase the amount of compensation it had offered, as it had delayed matters and caused Mr and Mrs H inconvenience as well as a financial loss. Red Sands didn’t respond to our Investigator’s assessment, so the complaint was referred to me for an Ombudsman’s 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.

As this is an informal service, I’m not going to respond here to every point raised or

comment on every piece of evidence Mr and Mrs H and Red Sands have provided. Instead, I've focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm upholding this complaint. I'll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

In Mr and Mrs H's case I'm not satisfied Red Sands acted in line with ICOBS, as it didn't settle the claim promptly. The claim was made in February 2024 but not approved until June. This led to the cost of the required works increasing. I've seen evidence of the increased costs and I'm satisfied the higher cost should've been covered by Red Sands.

It's clear from the chain of correspondence I've seen, that Red Sands delayed matters beyond what would be considered reasonable. In September it still hadn't responded to Mr and Mrs H about the new quote. I appreciate it later told Mr and Mrs H that this was due to claim backlogs, but the fact is the delays in reviewing the claim caused Mr and Mrs H a direct financial loss, as they then had to pay more than the initial settlement amount to get their windows fixed. I'm also satisfied that repeatedly chasing Red Sands for updates caused Mr and Mrs H inconvenience, for which they should be compensated.

Considering the number of months they waited for their claim to be reviewed, and then for the settlement to be agreed and paid, I think a reasonable amount of compensation is £250. This amount reflects the fact that Red Sands' actions impacted Mr and Mrs H for a few months more than they should have, as they had to continually chase for updates and pay more for heating their home.

It follows therefore that I'm upholding this complaint and will require Red Sands to put things right for Mr and Mrs H as detailed below.

Putting things right

Red Sands Insurance Company (Europe) Limited must now pay Mr and Mrs H:

- The difference between the settlement amount it's already paid and the amount it actually cost Mr and Mrs H to get the work done in line with their quote dated 6 June 2024, which came to £1,044.
- Interest on the additional amount payable at a rate of 8% simple per annum, from the date it paid Mr and Mrs H the initial settlement amount, until the date it pays them the remainder.
- £250 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and I direct Red Sands Insurance Company (Europe) Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 2 November 2025.

Ifrah Malik
Ombudsman