

The complaint

Mr N and Mrs N are unhappy with the decision by Haven Insurance Company Limited (Haven) following an escape of water claim made on their home insurance policy.

Mr N and Mrs N are both party to this complaint. Mrs N is the primary policyholder. For ease of reference, I have referred to Mrs N throughout this decision.

Haven is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Haven has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Haven includes the actions of any third party instructed by Haven during the course of Mrs N's claim.

What happened

Mrs N contacted Haven to make a claim following an escape of water causing damage to her home. Mrs N's claim was passed to company D to manage on behalf of Haven. The events following Mrs N's claim are well known to both Mrs N and Haven, so I haven't repeated them in detail here. I've summarised key events below.

Following the escape of water incident in April 2022 Haven arranged for repairs to be completed to the affected areas. This included strip out works to remove and renew the existing solid timber flooring. Following completion of this work, Mrs N complained about the quality of repairs, including a creaking noise and springing of the floor covering when walked upon in various area of the ground floor.

Mrs N instructed her own expert, R, to inspect and report on the quality of repairs. R's report concluded '*In my opinion the flooring is unsatisfactory and has been rendered unfit for purpose due to the incorrect installation.*' D completed its own report and agreed with further repairs being needed, but also raised concerns about the risk of remediation work resulting in betterment.

Haven and Mrs N were unable to agree on what Haven must do to put things right. Haven responded to Mrs N's complaint on 18 September 2023. Mrs N remained unhappy with its response, and so brought her complaint to the Financial Ombudsman Service.

On 3 October 2024, an ombudsman determined that Haven must:

- Arrange for the flooring and levelling compound to be removed and repair the floor with flooring of the same or similar quality as their previous floor – in line with the recommendations found in R's and D's report;
- Schedule any remaining works required to take place after the floor install as soon as practicable once the flooring replacement is complete;
- Reimburse Mr N and Mrs N for the cost of the independent report they obtained;
- Clean and fit back the stair carpet on completion of the work or replace it if the carpet can't be cleaned to its pre-loss condition;

- Repair any damage caused by its agents to the inside and outside of Mrs N's home; and
- Pay an additional compensatory payment of £1,500, taking the total compensation amount to £2,000.

Mrs N accepted the ombudsman's decision and the decision became binding on Haven to follow. On 21 October, D emailed Mrs N setting out the option for either a follow up visit to be arranged in order for Haven's preferred contractor to complete the repair work, or if Mrs N preferred, to use her own contractor. Haven also said if Mrs N chose to use her own contractor, D would be '*more than happy to compile a scope from desktop reports and previously noted scopes, to calculate the current costings to complete the outstanding works without the need for a further visit. We will then be able to provide a cash settlement sum for these outstanding works*'. Mrs N responded to this email saying:

- *Our choice between cash settlement and another contractor appointed by D is dependent on the value of the cash settlement. Either way we need to be able to complete the project to the scope set out by the FOS. We understand in detail the value for each element and the acceptable final settlement value.*
- *From our perspective the selection of contractors has to be based on learnings from the dire experience at the hands of the previous contractors...If [D] cannot suggest a contractor that meets the requirements, then the cash settlement route is our next best option.*
- *If you can confirm the scope as a first step then this route would be the fastest route to close for Haven, whilst leaving the actual claim management to us. This is a route that we are braced for and are confident in our ability to manage the project and suppliers involved.*
- *In working through the desktop cash settlement offer, could we first agree the headings, then move through costs under each heading. This could be a call with your decision maker or please advice the process.*

On 23 October Mrs N received an email from D saying '*As promised, we have managed to compile a scope of works based on the agreed guidelines presented to us by FOS / ombudsman. We can offer you a cash settlement in the sum of £12,778.89.*' Mrs N raised concerns with this saying it didn't match the quotes she had found showing total repairs costing around £89,000.

On 24 December the loss adjuster appointed by D sent an email saying:

We have received and reviewed the repair estimate provided by your own contractor. Unfortunately the estimate includes a number of items that will not be covered by your policy:

- *There is no evidence that our contractors have caused any external damage to the property and therefore the plaster and render repairs will not be considered.*
- *Accommodation for the contractors is unnecessary as there ought to be other contractors in the area that can do this work.*
- *Project management costs are unnecessary and will not be included.*
- *Contingency costs at 10% are unnecessary and will not be included.*
- *Kitchen costs to be reduced by 50% in line with the Ombudsman's decision.*

Furthermore, we have reviewed the costs that are covered using our internal scoping tools and have concluded that many of the items are over-costed. We can therefore offer a final settlement payment £31,493.40.

Mrs N rejected this offer saying it didn't reflect the extent of work needed to restore her home to its pre-loss condition. Mrs N reiterated her request for feedback on the quotes she had provided in order to negotiate closure of the claim.

In March 2025, D told Mrs N it had omitted Mrs N's claim for alternative accommodation and was willing to increase the settlement offered to £32,153.40. Mrs N didn't think this offer was fair, and complained about Haven's handling of her claim, and settlement offer.

Haven investigated Mrs N's claim from the date of its last final response letter in September 2023. It said the communication with Mrs N after the ombudsman's ruling had been poor, and offered £500 in recognition of its poor claim handling and impact on Mrs N. Mrs N remained unhappy and so referred her complaint to the Financial Ombudsman Service.

The Investigator considered the evidence and said Haven must do more to put things right. The Investigator said Haven should settle the claim in line with the quotes provided by Mrs N, and increase its compensation offer to £750. Haven didn't agree, saying Mrs N had refused to allow its surveyor or contractors entry to her home to complete a further scope for the work needed, and its offer had been based on the information it had available to it. As the complaint couldn't be resolved it has been passed to me for 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.

I thank Mrs N for taking the time to explain everything that has happened throughout the years when making a claim through her policy with Haven. I understand it has been a stressful time for Mrs N. I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

The crux of Mrs N's complaint concerns Haven's decision regarding the settlement amount offered for her claim. For clarity, I've provided my decision on each part of the disputed schedule of work, as detailed in Mrs N's email of 24 October 2024, separately.

Flooring

Having considered the evidence from all parties, I'm minded to say a fair and reasonable outcome for this complaint is to direct Haven to pay for the flooring removal and repair costs in line with the quote provided by Mrs N. I'll explain why.

I should start by saying that given the date of the incident going back to April 2022, there's no value in instructing an expert to attend to Mrs N's home at this time, to consider any incident related damage. In line with our approach, we'd usually find reports and expert opinions from around the date of loss to be most persuasive.

In this case, an ombudsman has already ruled that the flooring needs to be repaired with '*flooring of the same or similar quality as Mrs N's previous floor*'. So, the question I need to determine is whether Haven's handling of the claim from the date of this direction, has been fair and reasonable, and in line with what we'd expect to happen.

I've seen that D contacted Mrs N to discuss her claim and next steps around October 2024. Following this call, it was made clear that Mrs N would have the option to either accept a cash settlement or have one of D's preferred contractors complete any outstanding repairs. The email suggested that the former option could be calculated using the evidence Haven already had. From reviewing Mrs N's response, I don't agree with Haven's assertion that Mrs N resisted having D or its contractors attend to her home. It's clear that Mrs N was concerned about the quality of repairer instructed by D in the past. Because of this, she had a preference to opt for cash settlement of her claim.

I'm persuaded it was reasonable for Mrs N to believe that Haven would explain any settlement offer it made, including a full breakdown of what repair it related to. However, without any explanation or supporting evidence, Haven sent Mrs N an email simply stating '*We can offer you a cash settlement in the sum of £12,778.89.*' I have seen no evidence to support how this amount was calculated and what the cost breakdown was.

The settlement value is the most impactful part of resolving a claim. By sending an email with no explanation to support the settlement amount offered, Haven provided a poor customer experience. This is compounded by the previous poor dealings Mrs N endured because of Haven's failings earlier in the claim.

Mrs N provided Haven with quotes for the outstanding repairs, including letter headed quotations with a full breakdown of the individual repair items that had been costed by her contractor. Despite having this evidence, and numerous requests from Mrs N to engage with her or the expert she had instructed, (R), I can't see that Haven took any steps to explain its settlement offer, and why it was fair and consistent with what it had been asked to do in line with the ombudsman's ruling.

Given the continued contentious dialogue between Mrs N and Haven, Haven as the business managing the claim, should've been more proactive in explaining its decision to offer substantially less than the quotes Mrs N had provided. I also note that after Mrs N sent quotes from her own contractor, Haven increased its offer from £12,778.89 to £31,493.40. But it didn't explain what specific costings had been reconsidered, and/ or impacted the settlement it had offered. To date, I also haven't seen any compelling evidence or explanation to support why the settlement amount changed.

Haven ought to have arranged some time to clearly discuss the quotes Mrs N had provided, and explain its reasons for maintaining a much lower valuation. I can't see that it attempted any meaningful conversation with Mrs N at any time, or provided any constructive feedback on how its settlement offer had been calculated, and the reason for the discrepancy between its offer and the quotes Mrs N had provided.

I recognise Haven sent an email saying '*we have reviewed the costs that are covered using our internal scoping tools and have concluded that many of the items are over-costed.*' However, this response is neither fair nor proportionate.

I say this because Mrs N's claim had been on-going for several years at the time of this email being sent. The delay was largely due to Haven's poor handling and decisions on the claim. Haven should've done more to ensure it explained its settlement offer in a way that was clear and constructive for all parties.

Instead, Haven refused to engage in any helpful discussion with Mrs N about how its settlement offer had been informed, despite requests from Mrs N. It would appear Haven had engaged in internal discussions about Mrs N's quotes being too high, but no effort was made to discuss the quotes with Mrs N herself, and agree closure of the claim with

negotiation from both parties. Had this have happened, the claim would've had a better chance of being concluded, without the need for Mrs N making a further complaint.

Given the breakdown in relationship between the parties, and amount of time the claim has been open and ongoing for, Haven can't insist on appointing its own contractor to scope for the costs for repairs. Haven should instead settle the claim by cash in line with the quote provided by Mrs N for repairs to the flooring.

The time for engaging in discussion about the scope of repairs, the areas of betterment, and Haven limiting its liability, has now passed. Haven had the opportunity to do this earlier in the claim, following numerous requests from Mrs N to have an open and constructive dialogue about the outstanding repairs, but this didn't happen. Mrs N has provided Haven with a quote for repairing the flooring. Haven should settle Mrs N's claim based on this quote.

Carpet and additional painting, decorating and boxwork

Haven say the ombudsman's ruling was to '*Clean and fit back the stair carpet on completion of the work or replace it if the carpet can't be cleaned to its pre-loss condition.*' Haven says the cost it has scoped reflects this direction. Haven hasn't provided any specific comments on the additional work costed for in Mrs N's email of 24 October 2024.

I'm persuaded my reasoning for the flooring part of Mrs N's complaint, also applies to the carpet, and other repairs, to bring Mrs N's home to its pre-loss condition. Should this have been a point of dispute, Haven should've engaged in discussion about this with Mrs N earlier in the claim. Mrs N has provided Haven with a quote for replacing the stairs carpet, and completing additional finishing work. Haven should settle Mrs N's claim based on these quotes.

Damage repair cost (plaster and rendering)

D say its contractors dispute any damage being caused to internal plaster and external rendering. I've seen that the Mrs N raised concerns about this damage, and provided Haven with a quote for repairs dated February 2024. At the time I can't see that Haven took any action to investigate Mrs N's concerns, or send an expert to determine whether any incident related damage had happened.

Given the time passed on the claim, there would be little value in instructing an expert to comment on the damage, and whether it's incident related, at this point in the claim. With the evidence available to me I'm persuaded Haven has had reasonable opportunity to investigate the damage to the internal plaster and external rendering when it was raised by Mrs N much earlier in the claim. As Mrs N has provided Haven with a quote for repairing the damage being caused to internal plaster and external rendering, in line with the ombudsman's previous ruling, Haven should settle Mrs N's claim based on this evidence.

Kitchen

Haven has agreed to cover the cost of repairs for the kitchen at 50% of the total cost of repairs. As this cost is agreed, I'll be including this direction as part of my overall direction for putting things right.

Alternative accommodation

Haven has agreed to cover the cost of alternative accommodation for the period of repairs. We'd expect it to do so in line with the policy terms and conditions. As this cost is agreed, I'll be including this direction as part of my overall direction for putting things right.

Claim handling

In March 2025 Haven offered Mrs N £500 for the impact of its poor claim handling. I've considered what has happened on Mrs N's claim, and the large parts of poor service provided by Haven during Mrs N's claim. And I'm persuaded £750, as recommended by the Investigator is fair compensation, and in line with what this Service would direct in the circumstances. I'll explain why.

Haven accepts its claims handling was poor. I've also seen that Mrs N continued to chase Haven for updates on her claim, and related matters. Communication was often initiated by Mrs N, and responses from D were delayed and unhelpful. Mrs N has highlighted the stress caused to her, and the impact of receiving communication from D on Christmas eve. I'm persuaded this would've caused Mrs N undue upset and frustration at a time that she was already distressed with the delays in dealing with his claim.

I'm mindful that claims of this size and complexity can cause upset and frustration, even when things go as they should. But it's evident Haven's service has been poor for large parts of the claim. It could've communicated better, shown more proactive management of the claim, and acted more expediently in reaching decisions on the claim. These failings have all led to undue upset and inconvenience being caused to Mrs N.

Mrs N has referenced being compensated for the cost of project managing her claim. It's not disputed that Haven's service has been poor. But the policy doesn't cover for this, and we wouldn't usually award for the cost of managing a claim. Instead, we'd consider the impact of any poor service, and base our award on the level of distress and inconvenience caused-keeping in mind our remit of fair and reasonable, and award bands.

All things considered I'm persuaded £750 compensation for the poor handling of Mrs N's claim, and the impact on her, is in line with we'd direct in the circumstances. If any of this amount has already been paid, Haven must pay the outstanding amount only. I'll be directing Haven to pay this if it hasn't done so already.

Contingency costs

Mrs N has asked for Haven to cover for any contingency costs. I'm satisfied my direction for putting things right reasonably recognises what Mrs N's policy was designed to cover, and the compensation amount further recognises the emotional impact on Mrs N because of Haven's poor handling of her claim. In line with our approach, I won't be including a direction for Haven to pay for contingency costs as part of my overall direction for putting things right.

VAT

Mrs N has included the cost of VAT in her quotations for the outstanding repairs. Given the time passed since Mrs N provided Haven with quotations for repairs, it is likely she'll have to obtain up to date quotations. If Mrs N provides a quotation with a valid VAT number, Haven can include the VAT amount in its cash settlement offer.

If Haven has concerns about paying the VAT upfront, so long as it doesn't cause any financial detriment to Mrs N, Haven has the option of agreeing with the contractor to pay the VAT portion direct to the contractor once the work has been completed.

Summary

I've seen Mrs N sent Haven a detailed breakdown of the costings and quotes for the outstanding repairs on her claim on 24 October 2024. Haven should use this evidence to cash settle Mrs N's claim for all parts of her claim included in the table- apart from the costs for project management and contingency, for the reasons already explained.

Putting things right

For the reasons set out above, I uphold this complaint. Haven Insurance Company Limited is directed to:

1. Settle Mrs N's claim for repairs to the flooring, carpet, plaster and rendering, and finishing, in line with the quotes provided by Mrs N, and remaining policy terms and conditions by way of cash settlement;
2. Settle Mrs N's claim for repairs to the kitchen at 50% of the total cost of repairs in line with the remaining policy terms and conditions by way of cash settlement;
3. Cover the cost of alternative accommodation in line with the policy terms and conditions; and
4. Pay £750 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Haven Insurance Company Limited is directed to follow my directions for putting things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 24 February 2026.

Neeta Karelia
Ombudsman