

The complaint

Mr R complained that Ageas Insurance Limited (“Ageas”) didn’t provide for appropriate alternative accommodation for the full period he was unable to live at home due to fire damage, under his home buildings insurance policy.

All references to Ageas include its agents and contractors.

Mr R is represented by his loss assessor Mr N.

What happened

In July 2023 Mr R’s home was damaged in a fire. He made a claim to Ageas, which it accepted. His home wasn’t habitable because of the damage. So, he initially stayed in hotel accommodation until a suitable rental property was found. Mr R is elderly and had a fall in June 2024 whilst his home was under repair. This meant several months in hospital recovering. When he left hospital, in August, he was able to return to the rental property with a care package put in place for him.

Unfortunately, the landlord of the rental property decided to sell. This meant an alternative rental property was required. Mr N said that despite efforts by his company and Ageas to find a suitable property, nothing was found. He said the only viable option was to move Mr R into a care home. However, Ageas declined to pay for this. Mr N said Ageas offered £12,000 towards the further accommodation costs. This was based on six month’s rent for a suitable property.

Mr N said there was no viable option other than Mr R staying in a care home. This meant Ageas should pay for these additional costs. He said Mr R has been left considerably out of pocket. A complaint was raised with Ageas. In its response it said its policy provides the reasonable cost of necessary alternative accommodation. This doesn’t cover Mr R’s care costs. It said it agreed to pay £12,000 towards his accommodation requirements. Alternatively, it said his representative could secure a rental property and it would consider any further costs. Or it would look to arrange a rental property on the best terms possible.

Mr R didn’t think Ageas had treated him fairly and the matter was referred to our service. Our investigator didn’t uphold his complaint. He didn’t think Ageas’s policy required it to pay Mr R’s care home costs. He thought its offer to pay a cash sum or to search for a suitable rental property was fair.

Mr N responded and said Mr R didn’t want to go into a care home, but there was no other viable option. He said no other options were presented by Ageas or its agent. It was requested that the matter be referred to an ombudsman.

It has been passed to me to decide.

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 my intention is to not uphold Mr R's complaint. I'm sorry to disappoint him but I'll explain what I think my decision is fair.

Mr R's policy terms provide for alternative accommodation where this is necessary up to a maximum of £100,000. The buildings insurance terms say:

"What is insured - Reasonable costs of necessary alternative accommodation will also be paid for you, your family, and your domestic pets if the buildings cannot be lived in because of damage insured under this section."

Our service thinks this means Ageas should expect to provide accommodation of a similar type to that of the insured property. I acknowledge Mr N's reference to the policy limit and that Mr R's care home costs fall comfortably within this amount.

Due to his age and health issues Mr R required accommodation in a ground floor flat or a house with sufficient facilities on the ground floor. After a period staying in a hotel, an appropriate rental property was secured. This was suitable for Mr R's needs and allowed for care to be provided to him.

After his stay in hospital in June 2024, Mr N confirmed the rental property was still suitable for Mr R's needs. He required more care. But the records show this could still be provided at the rental property. Funding for Mr R's care package was provided by the NHS and so he didn't incur additional costs.

I've thought carefully about whether Ageas continued to cover the reasonable costs of necessary alternative accommodation after the initial rental property became unavailable.

From the records the initial rental was agreed until September 2024. The landlord decided to sell the property but did subsequently agree to extend the rental period until mid-October. From the claim records the intended sale of the property was known about in early July. The notes say Ageas's agent would work with Mr R and his representatives to source a new property. The business said the representatives held discussions around this point in August.

At this time the claim records show the costs for a care home were discussed and this was calculated at £1223.44 per week. The average rental for a similar property to Mr R's house was £1,800 per month. Ageas offered to increase this to £2,000 given the limited properties that would fit with his additional needs. It said it would commit to a six-month rental period. This is how it arrived at a contribution of £12,000 towards Mr R's accommodation costs.

Ageas has supplied a timeline showing its agent's actions when sourcing accommodation and its interactions with Mr R's representatives. I can see there were regular contacts throughout the claim period. Available rental properties were limited as it had to be close to Mr R's daughter and living accommodation set over one floor. Ageas said its agent would look to secure a rental property, or Mr R's loss assessor could do this.

The records show the loss assessor told Ageas at this time that neither a short nor a long-term rental could be sourced. It said a care home was the only remaining option. The loss assessor asked that Ageas pay the £12,000 it had offered plus a further £6,000 toward Mr R's costs.

I can see the rental property let wasn't extended into mid-October 2024 as agreed. I asked Ageas why this was the case given the records indicate this had been confirmed. It

responded to say that although the landlord originally agreed to the extension, this was later confirmed not to be possible.

I asked Ageas to provide details of the AA properties it suggested to Mr R. Ageas responded to show the emails it exchanged with the agent it used to source AA. Two properties were suggested in late June. I can see that Ageas confirmed it was willing to consider a re-let fee to leave the existing rental contract early.

Ageas chased Mr R's representatives in early July and again in mid-July. On 24 July the loss assessor responded to say Mr R was still in hospital after his fall. He said Mr R's representatives hadn't had time to give this much thought. This was because of "*everything that was going on*".

I acknowledge that this was a difficult time for Mr R and his family. But the records show that potentially suitable accommodation was identified. It's clear that suitable properties were in limited supply. I think it was reasonable that Ageas agreed to cover any fees to allow Mr R to leave the original rental property early. This meant he could have moved to a new property within the existing rental period, should a suitable one be found. From what I've read Mr R's representatives didn't respond to Ageas on this point or indicate if the suggested properties were acceptable.

From the claim records further properties were highlighted by Ageas as potentially suitable in August 2024.

I asked Mr R's representatives whether efforts were made to find a suitable property after he'd been moved into a care home. So that the cost of care could be covered under the original NHS package he had in place. A response was provided to say that searches were undertaken whilst the reinstatement works were being completed. I haven't been provided with evidence to show this. But it was emphasised that Mr R is a very elderly gentleman with restricted capabilities. His representatives said that continuously moving him to different accommodation, along with personal belongings, as well as arranging temporary furniture each time, would have been detrimental to his health.

From the records provided Mr R's mobility suffered because of the fall he had in June 2024. This affected him after he was discharged from hospital back to the original AA. His daughter has explained that prior to the fall Mr R was independent in all forms of selfcare. For example, he could do his own washing and was able to shower unaided. However, after the fall and having been discharged from hospital his balance was severely impaired. This meant using a walking frame. Mr R's daughter explained he could only stand and walk using the frame and with the help of care staff. It was with the provision of carer visits four times a day that Mr R was able to remain in the AA Ageas had provided.

That said, Mr R's daughter explained that one of the reasons a care home was considered was that it provided on site carers 24/7 to deal with any further falls.

I asked Mr R's representatives how 24/7 cover in case of falls would be provided if Mr R was living in a rental property. The response said that care was arranged by Mr R's daughter when he was living at the rental property. And that care costs were covered by Mr R or his family. I'm not clear from this how 24/7 protection from falling would be provided when the care package was limited to four care visits a day.

Mr R's daughter confirmed that her father entered the care home on 15 September 2024. I can see that on 13 August Ageas's agent confirmed limited options were available for rental properties. But that other possible rental solutions could be explored. The agent confirmed this would be discussed with Mr R's daughter. At this juncture just over a month remained

before the original AA rental agreement was to end.

From what I've read Mr R's representatives were understandably concerned about his health requirements and the need to secure suitable accommodation. In an email dated 21 August 2024 they said there were currently no available options for a rental property. An estimate of costs was provided relating to care home accommodation. Based on accommodation only the representative confirmed this would come to £24,468.80.

As discussed, Ageas offered £12,000 based on an enhanced estimate of six months rental. It's shown that an average cost for a property like Mr R's house would come to around £1,800. But it agreed to increase this to £2,000 given Mr R's circumstances and how this limited the properties available. In the circumstances I think this was fair.

Mr R was in the care home for just over four months. He was then able to return home following the completed repairs. I think this shows it was reasonable for Ageas to use a six-month AA period for its offer. I've seen copies of the invoices from the care home where Mr R stayed. The cost of accommodation, and care, came to just under £25,000 for the full period.

From what I've read it's not clear that the opportunity for all possible rental solutions was explored prior to Mr R moving into the care home. The records show Ageas was prepared to consider further options and continue the search. From the emails exchanged it was Mr R's decision to move into a care home. I think the indication is that there still were opportunities to consider possible AA and time to do this prior to the end of the original rental period.

Given the additional cost for Mr R to stay in a care home, I'd expect to see evidence of efforts to seek an alternative whilst he was staying there - if living outside of a care environment was possible whilst Mr R was recovering from his fall given the extensive care that he needed.

I'm mindful that Mr R was in poor health and required significant care support. I understand his representatives view that transferring between accommodation would not be good for him. But I'm not persuaded that all other options aside from the care home were explored and exhausted. Similarly, Ageas's policy doesn't provide cover for care costs. I understand the argument put forward by Mr R's representatives that there was no option but for Mr R to stay in a care home. But I don't think there is a requirement under its policy terms for Ageas to pay for the care he required, or that this is a reasonable outcome under this set of circumstances.

The invoices provided for the care home are not broken down to show the cost of the accommodation separated from the care and other costs involved. It seems to me that the provision of care is the predominant reason for the much higher cost for living in this type of accommodation. Again, care costs are not covered under Mr R's policy. Ageas is required to pay the reasonable costs of AA. But from what I've read I don't think it acted unreasonably when making the offer it did. It paid a higher rate than it would cost to put Mr R in a similar property to his insured home. And it based this on six months rental when he was back in his property in around four months. Based on this information I think Ageas's offer was fair.

I'm very sorry for the difficult time Mr R has been through. I can understand that this must have been very upsetting for him and his family. But I don't think the contribution Ageas offered towards Mr R's AA costs was unreasonable. So, I can't fairly ask it to pay anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 December 2025.

Mike Waldron
Ombudsman