

## **The complaint**

Mrs E complains about Accredited Insurance (Europe) Ltd (“AIL”) and the way they have progressed the fire damage claim she made on her home insurance policy. This includes the quality of the initial works undertaken, their settlement policy and their communication with her overall.

Mrs E has been represented by a loss assessor, who I’ll refer to as “M”, during the claim and complaint process. Where I refer to M, I will do so on the understanding M’s comments, and actions, were authorised and approved by Mrs E.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mrs E held a home insurance policy, underwritten by AIL, when her home was damaged by a fire in December 2024. So, she contacted AIL to make a claim.

AIL instructed a separate claims handling company, who I’ll refer to as “T”, to manage the claim on their behalf. T were acting as an agent of AIL and so, AIL remain ultimately responsible for the actions of T, and any contractors/professionals T chose to appoint.

T arranged for Mrs E’s home to be made safe, with fire initial restoration works such as cleaning undertaken to mitigate any further damage. But Mrs E was unhappy with the quality of this work, and AIL’s settlement policy they communicated with her. So, she instructed M to act on her behalf. And shortly after being instructed, in January 2025, M raised a complaint with AIL.

In summary, M’s complaint contained, and was not limited to, their belief T’s contractors had caused additional damage at Mrs E’s property, referring to Construction (Design and Management) (“CDM”) Regulations 2015. And they explained why they felt AIL’s settlement policy was unreasonable, as well as AIL’s decision to contact Mrs E directly when they had been instructed by legal mandate. So, M set out their wish for no further contact from T and a cash settlement award that allowed them to arrange for Mrs E’s property to be restored.

AIL responded to the complaint and didn’t uphold it, on 7 March 2025. AIL explained T were instructed to manage the claim on their behalf and so, why M and Mrs E had an obligation set out within the policy terms and conditions to co-operate with T moving forwards. They explained the works T had arranged so far, explaining it wasn’t reinstatement work, rather damage mitigation and cleaning. And they reiterated their offer to consider this work once a site inspection had taken place for a full schedule of works to be agreed.

They also explained why they felt they were fair to contact Mrs E directly, regardless of M’s instruction, and explained why M’s fees wouldn’t be covered under the policy they provided. So, they didn’t offer to do anything more. M didn’t agree and so, they referred the complaint to us.

Our investigator looked into the complaint and upheld it in part. Both parties have had sight

of this outcome, so I won't be recounting it in detail. But to summarise, our investigator didn't feel they had seen evidence to persuade them T's contractor had caused further damage. Or, that AIL's settlement policy was unfair or unreasonable. But they did accept AIL had contacted Mrs E directly and that when doing so, they had failed to manage her expectations within this communication appropriately. So, they recommended AIL pay Mrs E £150 to recognise the impact this caused.

AIL accepted this recommendation. But M didn't, providing substantial reasoning setting out why. This included, and is not limited to, reference to AIL's "elect to reinstate", their belief the evidence supplied showed poor workmanship from AIL and that our investigators outcome failed to essentially put Mrs E's home back together.

Our investigator responded, setting out the scope of what our service could consider and making it clear our service do not act as replacement claim handlers. M continued to disagree and so, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, it's important for me to set out what I've been able to consider, and how. In line with the rules our service works within, we are only able to consider complaints that have been raised with a business such as AIL, where they have had the agreed eight-week timescale to respond within their own complaint process.

At the point M referred the complaint to us, AIL had only provided one complaint final response, dated 7 March 2025. So, this decision will only consider the complaints raised before, and addressed within, this response. Any new complaint points, or issues regarding events that took place after this date, will need to be considered separately by our service under a separate complaint reference.

This also means that my decision won't be influenced, or impacted by, any events that occurred after this date. So, while I recognise Mrs E's claim has likely moved on since this point, and there may be new events that occurred that she and M on her behalf feels supports the complaints I can consider, these haven't impacted the decision I've reached.

And when reaching my decision, and where necessary deciding what action AIL should take, I must be clear that it isn't my role, nor the role of our service to act as a replacement claim handler. So, I won't be speculating on how I believe the claim should be settled or what works AIL should carry out, as this hadn't been agreed at the point of the complaint response.

Instead, as an informal alternative to the courts, it is my role to consider the actions AIL took up to the point of their complaint response, to decide whether they acted fairly and reasonably. This means that while I, and our service, can and will consider case law and other relevant legislation, I won't be making any legal determinations on whether there have been legal breaches, or criminal offences.

And where I'm not persuaded AIL have acted fairly or reasonably, any direction I make is intended to place Mrs E back in the position she would have been in, had AIL acted fairly in the first place. It won't be intended to punish AIL for any errors they have made.

I note M has made significant representations as to why they feel AIL acted unfairly, providing several points they believe supports their position. I want to reassure M that I have considered all the information that's been provided. But, in line with our services informal approach, I won't be commenting on every point that's been made. Instead, my decision will focus on the points I'm satisfied are pertinent to the decision I've reached. And for ease of reading, I've separated these into sections below.

#### *Quality of workmanship*

M has set out why they believe T's contractors completed work at Mrs E's home that created additional damage. Specifically, M has referred to their belief that T's contractors painted over soot, providing a video they feel supports this assertion.

But I've considered the contents of this video alongside M's testimony, and I'm not persuaded this evidence is enough to satisfy me T's contractors did complete work of poor quality, that led to further damage.

While I am satisfied T's contractors did apply a coat of LX paint to the dining room ceiling, as set out in their contractor's report dated 9 January 2025, there is nothing to suggest this was applied over soot. Nor can I see any evidence to suggest this painting was intended to be reinstatement work.

Instead, I'm satisfied this work was undertaken as part of the mitigation and cleaning work to prevent any further damage, while the reinstatement works themselves were scoped and agreed. And the policy terms and conditions allow AIL, and their agents to do this, explaining they will, before arranging the reinstatement work, "*carry out any work that is needed to reduce any further loss or damage*".

So, while I note M has referred to their opinion AIL "elected to reinstate" and why they believe this is relevant to the complaint, I'm not persuaded any reinstatement work had been agreed, or completed, at the point AIL issued their complaint response. Instead, I'm persuaded AIL made it reasonably clear to M a new site visit was required for a full scope of works by AIL's own surveyor, who I'll refer to as "X", which I'm satisfied was a reasonable request as I'm satisfied another insurer is likely to have taken the same decision, in the same situation.

And while M has referred to smoke damage and contamination, I've seen no evidence to suggest that T's contractor's actions led to contamination in addition to what would have occurred due to the fire itself.

That being said, I note AIL did offer to consider any additional damage M felt was caused, as well as their accusations regarding breaches of CDM regulations, at the required site visit needed to agree a full scope of works. Where a customer alleges poor quality repairs, or damage caused by a contractor's failures, our service would usually allow a business such as AIL the chance to inspect the property before agreeing to any fault, or additional repairs. And this is what AIL requested here. So, I can't say this was an unreasonable response.

From what I've seen, the ability to complete this visit was delayed by M's initial refusal to allow T, or any contractors/agents they appointed, to attend the site alongside the complications created by the multiple complaint emails that were sent.

While I appreciate why Mrs E, or M, had reservations about T and their agents, T were acting on behalf of AIL. And the terms and conditions of the policy explain that Mrs E, and so M, *“must cooperate with us (and our appointed representatives if this applies) in investigating and assessing any claim or circumstances which may lead to a claim”*. So, I'm unable to hold AIL responsible for any delays in arranging this visit, as I'm not persuaded it was their errors that resulted in this visit taking longer than it may have done to arrange.

I note that, from what I've seen, it's been accepted T's contractors did fail to dispose of sharp objects as AIL would have expected. But I'm satisfied AIL's acceptance of this, and an agreement to pass this on to ensure this was resolved and not to happen again in the future, was a fair one.

Considering Mrs E wasn't residing at the property at the time the sharp objects were disposed of, I'm not satisfied she was impacted by this failure of T, and so AIL, in a way that requires compensation as I'm not satisfied she was left at a direct risk. I do recognise why she would worry about how those objects may be available for members of the public to steal, I've seen no evidence to show this did actually happen and our service is unable to compensate Mrs E for potential impact, only direct impact itself. And even then, it remains that Mrs E wasn't in danger herself from what I've seen.

So, because of all the above, I'm not directing AIL to do anything more for this aspect of the complaint.

#### *Settlement policy and M's costs*

I note M has raised concerns about AIL's potential settlement policy. But I must be clear that at the point of the complaint response, AIL had made no offer to settle Mrs E's claim. Instead, they had directed Mrs E to her policy terms and conditions, to explain what options may be available to her. This in itself isn't evidence of AIL acting unfairly, as I would expect them and their agents to manage Mrs E's expectations.

And having read these terms and conditions, I'm satisfied they are fair, reasonable and not misleading. They make it clear that, should M or Mrs E choose to take a cash settlement where AIL are offering to complete the reinstatement work themselves, that AIL will only pay a cash settlement for the same amount it would have cost them using their own contractors.

This is a standard condition found in most insurance policies of this nature. And it follows our services own approach on what we deem to be fair and reasonable, as we don't believe it would be fair for a business to incur increased costs through no fault of their own.

And crucially, when agreeing a scope of works and so, the costs of this reinstatement work, AIL were entitled to instruct and rely upon the opinion of their own surveyor, X. The policy terms and conditions made it reasonably clear that AIL have *“the right to choose which contractors to instruct to carry out the work”*. This includes which surveyors they appoint. So, they weren't obliged to use M, who Mrs E had chosen to appoint herself independently. Nor are they obliged to tender out any prospective work, as they have the right to select the contractor responsible to complete the repairs, if they have one available.

Because of this, I wouldn't expect AIL to cover the costs of both X, and M, as M feels is appropriate.

Further to this, the terms and conditions make it reasonably clear that AIL don't cover *“any cost or expense we have not agreed in writing”*. I've seen no evidence that shows AIL

agreed to M's costs at any point, including before Mrs E chose to instruct them under a separate agreement entirely.

Further to this, the terms and conditions also explain under the "*business fees*" section that AIL don't cover "*any fees charged to help you prepare for your claim*" and "*any fees we have not agreed in advance or do not consider necessary to reinstate the buildings*".

In this situation, AIL had accepted and were handling the claim before M's instruction. So, I've not been satisfied that M's instruction was one that was necessary to allow the claim to progress. Instead, I'm satisfied Mrs E likely instructed M to support her through the claim process, making it easier for her to navigate. While I fully respect why Mrs E felt this was appropriate for her, this doesn't mean AIL were obliged to cover M's costs based on the evidence supplied to them at the point of their complaint response. So, I can't say AIL have acted unfairly for these complaint points.

### *Direct contact with Mrs E*

I note Mrs E is unhappy that AIL continued to contact her directly, after she had appointed M to represent her through the claim process. And it's not disputed by AIL they did contact her directly, following M's involvement. So, I've considered whether AIL were fair to do this, and whether their communication was reasonable on these occasions.

First, I must be clear that Mrs E's agreement with M to represent her is separate to the relationship she held with AIL as the customer, and her insurer. So, while I do accept AIL should take reasonable steps to honour her request and speak to M as her representative, I'm not satisfied this means that no communication should ever have been held directly.

That being said, I've carefully thought about M's testimony setting out the impact to Mrs E, and her feeling that the communication she received was threatening and abusive. Having read this correspondence and any relevant call notes/recollections, I'm not persuaded AIL were intentionally threatening or intended to cause Mrs E harm.

But I can understand why Mrs E would view some of the requests AIL made as blunt, without any real explanation setting out why this information was required. And considering she had chosen to appoint M, I'm satisfied it's reasonable for me to assume Mrs E wanted to avoid this sort of communication where possible.

So, I am satisfied AIL could have done more regarding this complaint point and I'm persuaded they acted unfairly and unreasonably at times. Because of this, I've then turned to what I should direct AIL to do, to put things right.

### **Putting things right**

When deciding what AIL should do to put things right, any award or direction I make is intended to place Mrs E back in the position she would have been in, had AIL acted fairly in the first place.

In this situation, I'm satisfied Mrs E would always have been left in the same position regarding the status of her claim, the mitigation work that had been attempted prior to a full scope of works being agreed and the need to arrange a site visit to agree this scope at the point of AIL's complaint response. And, that any scope of works and next steps would have been dependent on and agreed within the policy terms and conditions she held.

But crucially, had AIL acted fairly, I'm satisfied they, and their agents, would have been more proactive in ensuring communication was held with M where practically possible, to honour

Mrs E's clear intention to be removed from direct contact regarding the claim itself. And that had they done so, Mrs E would most likely have not received direct requests she deemed to be threatening and worrying for her. So, I'm satisfied AIL should compensate Mrs E for this.

Our investigator recommended AIL pay Mrs E a compensatory payment of £150, which I note AIL accepted. Having considered this recommendation, I'm satisfied it's a fair one that falls in line with our services approach and what I would have directed, had it not already been put forward.

I'm satisfied it fairly compensates Mrs E for the impact I've set out above. But I'm satisfied it also fairly takes into consideration the actions AIL did take, which included removing Mrs E from receiving automatic correspondence. It also fairly takes into account evidence I've seen that shows AIL contacted Mrs E directly after receiving direct contact from her, which would have created the impression for AIL that direct contact was something Mrs E was willing to accept.

So, this is a payment I'm now directing AIL to pay.

I understand this may not be the outcome Mrs E was hoping for. And again, I want to reassure Mrs E all her issues that can be considered within this decision have been taken into account, even if I haven't spoken to them directly.

I must be clear again that any complaints or issues Mrs E holds about events that occurred after 7 March 2025 would need to be considered by our service separately, should this be required, once AIL have had the opportunity to respond within their own complaint process.

### **My final decision**

For the reasons outlined above, I uphold Mrs E's complaint about Accredited Insurance (Europe) Ltd and I direct them to take the following action:

- Pay Mrs E £150 compensation to recognise the distress and inconvenience caused by their direct contact after the appointment of her representative, M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 20 November 2025.

Josh Haskey  
**Ombudsman**