

The complaint

Mrs M and Mr M complain that Ageas Insurance Limited have provided a poor service following their claim for an escape of oil, and that they haven't settled the claim in full which has left them out of pocket.

What happened

Mrs M and Mr M made a claim under their buildings insurance in 2021 following an escape of oil from their boiler, which was situated in the garage.

Mrs M and Mr M appointed their own loss assessor to manage the claim on their behalf, and they engaged contractors to assess the damage and provide reports.

Ageas appointed a loss adjuster to consider the reports and validate the claim.

Liability was accepted by Ageas and Mrs M and Mr M were moved to alternative accommodation (AA) while the work was completed. However, they subsequently raised complaints that there were delays in the claim being assessed and paid, that Ageas queried work that had already been agreed and started, and that Ageas declined some aspects of both the buildings and contents claims

Mrs M and Mr M are also unhappy that their AA expired before the work was completed, which they say was due to the delays caused by Ageas as they didn't have the funds to complete the building work. They want the AA extended till the end of 2023

Ageas didn't uphold Mrs M and Mr M's complaint and so they brought it to us.

One of our investigators looked into Mrs M and Mr M's complaint and she thought Ageas should pay Mr M and Mrs M £150 for the distress and inconvenience caused by poor service but Mrs M and Mr M were unhappy with this and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

Having considered all the evidence, I'm proposing to uphold this complaint but with a different outcome to the investigator and I'll explain why. I've addressed each of Mrs M and Mr M's complaint points separately for clarity.

The site visits undertaken

Mrs M and Mr M have complained about the attitude of Ageas contractors, especially the contractor from the environmental company on 8 February 2022. They felt that he behaved inappropriately and suggested that Mrs M and Mr M were trying to claim for items that they were not entitled to.

Ageas have said that this visit by an environmental consultant was to undertake a volatile organic compound survey to assess the ambient air and the potential impact to soft furnishings. He took readings at various locations in the property to assess the spread of VOC's and whether the soft furnishings would need to be replaced, or whether cleaning would be sufficient. His opinion was that the soft furnishings could be cleaned, and that the ambient air readings in the unaffected rooms was minimal and could be addressed by cleaning rather than replacement of items.

While I can appreciate that having a number of contractors coming to your home and asking questions following a claim may be upsetting, I haven't seen anything which suggests that his actions were inappropriate. The environmental survey is a specialist assessment and is an important part of the process to establish which parts of the property and contents are affected, and how remediation can best be addressed. Ageas are entitled to undertake any assessments that they deem necessary as part of the validation of the claim.

Delays between 11 March 22 – 9 May 2022

Mrs M and Mr M complain that a report was sent by the loss assessor to the loss adjuster on 11 March 2022 but approval wasn't given until 12 April 2022 despite chasing. Approval to remove the kitchen units wasn't given until 9 May 2022 and Mr M and Mrs M are unhappy with these delays.

Ageas notes record that following receipt of the reports on 11 March the adjuster reviewed the documents and passed them to Ageas for review of the recommendations and the cost proposal. There was further communication between the parties before notification of the outcome on 12 April 2022. Given that Ageas were taking proactive and necessary steps during that time to validate the costs, I can't say that this was an unnecessary delay. Further, during the period until 9 May when approval for removal of the kitchen units was given, other excavation work was taking place, and so I don't consider that this caused any additional overall delay or inconvenience. Claims of this nature often take time to validate and resolve and as Mrs M and Mr M were in alternative accommodation throughout this period, I can't see they were impacted by this.

Queries raised about pre agreed work

Mr M and Mrs M say that in July 2022 Ageas raised queries with their loss assessor about the work, despite the work having already been approved and started. They responded to these queries on 26 July 2022, but these unnecessary queries caused a further delay before it was again approved in August 2022.

Although an initial scope was agreed, I would expect an insurer to continue to review this in the light of evidence that arises during the excavations, to ensure that all necessary work is undertaken to remove the risk. The loss assessor's contractor asked for additional costs in July 2022 which were forwarded to Ageas to be reviewed and considered. Their environmental adviser considered them and further queries were raised with Mrs M and Mr M's loss assessor.

This was necessary as there was a difference in opinion between Ageas own environmental consultant and the loss assessor's. After consideration, Ageas responded on 22 August 2022, but I'm satisfied that this delay was necessary and appropriate to enable them to consider the additional costs requested, and the results of the initial excavations, and I would expect any insurer to act similarly.

Mrs M and Mr M also complained about delays in payments being made. Our investigator looked into this and found that although the delays were because of a dispute over the

settlement amount, Mr M was chasing for an interim payment for a period of five months and was considerably upset by this. I agree that although Mrs M and Mr M had appointed a loss assessor, Ageas could have done more here when communicating directly with Mr M to reassure them, and I also consider that they could have made the payments more promptly. I have taken everything into account and agree that compensation is appropriate, but I'm increasing this to £300.

Reduction of the contents claim for clothing that had been disposed of.

In respect of the contents claim, Mr M and Mrs M said there were items that weren't included within the settlement that should've been by Ageas – mainly clothing.

Mrs M and Mr M say that during the initial inspection their clothing was inspected and photographed and during discussions, the assessor was confident that there was sufficient evidence to substantiate the clothing claim because of its proximity to the leak. As a result, Mrs M and Mr M disposed of the clothing from the wardrobes after failed cleaning attempts.

On 15 May 2023 they were advised that clothing would not be covered. Ageas said that these items were disposed of before they had chance to inspect them and so, Mrs M and Mr M had prejudiced its position. Ageas initially said it would only consider the BER list of contents as it said that the other items could be cleaned. They have pointed to the terms of the policy which state "you must not throw away, get rid of destroy any items that are damaged until we say so."

Mr and Mrs M say that they did attempt to clean these items before they were disposed of, but this was unsuccessful. They also pointed to the report from the original contractors who said that:

"in regards the clothing in the room, we recommend that a selection of clothing is test cleaned by dry cleaners and assessed once completed. It is unlikely that the clothing will respond to cleaning."

While I agree that Mr M and Mrs M shouldn't have disposed of their clothing without the consent of Ageas, I'm satisfied that the evidence does indicate that given the proximity of the clothing to the leak, and the comments of the contractor who viewed the clothing, it is likely that it would be substantially affected and resistant to cleaning. I can also appreciate the anxiety of Mrs M and Mr M in wearing impacted clothing, and so I consider it is fair and reasonable for Ageas to settle the claim for replacement clothing for items in the wardrobe adjacent to the oil leak. I haven't been provided with details of the clothing in the wardrobes, but I understand it was listed on the original report, and so it should be settled on that basis.

Buildings settlement

In terms of settling the claim, the policy states at page 13:

*"When settling your claim we have the following options available to us and we will decide which is most appropriate; – Repair – Replace – Rebuild – Payment
We may offer to repair, replace or rebuild any loss or damage through one of our approved suppliers, however, should you prefer to use your own supplier you may, providing you agree this with us beforehand. Should you use your own supplier, any payment made would not normally exceed the discounted amount we would have paid our approved supplier. All our repairs are guaranteed for one year."*

This means that if the policyholder chooses to opt for a cash settlement to use their own supplier rather than repair - as is the case here - Ageas is only obliged to pay what it would have cost them using their own contractors, not the policyholder's actual costs.

An offer was made on 25 August 2022. Mr M and Mrs M's loss adjuster raised queries about the offer on 12 September and Ageas responded on 17 October 2022. The offer didn't include redecoration of a number of rooms, or supervision fees and preliminary costs. Ageas have excluded redecoration costs as they didn't consider it necessary following the report from the environmental consultant that indicated that the fumes were within safe levels in the rooms excluded, which included three of the bedrooms, one bathroom and the sun room, which would not need redecoration.

The loss assessor told Ageas that he felt full redecoration was necessary as airborne contamination will have permeated the whole property over the six months since the leak, and that there was an odour throughout the property which suggests that the wallpaper and lining paper has absorbed some of the odours.

However, Ageas maintained that the VOC readings taken in July 2022 were 0.2/0.3 ppm for these rooms, indicating a very low risk.

Although I can appreciate that Mr M and Mrs M may feel they want to redecorate, the evidence available in the environmental report from July 2022 supports Ageas position that it isn't necessary, and so I'm satisfied that they have acted fairly in declining this part of the claim.

Alternative Accommodation

Mrs M and Mr M are unhappy that alternative accommodation (AA) wasn't extended until the remedial work was completed at the end of 2023. They say that the delays in dealing with and settling the claim meant that AA needed extending beyond the 12 months afforded under the policy which ended on 3 February 2023.

The policy says:

"We will also pay the costs of alternative accommodation for you, your family and your domestic pets if the building cannot be lived in because of damage insured by this section."

AA is intended to cover periods when there are no cooking/bathing facilities available or it is otherwise unsafe to inhabit – in this case as a result of the oil leak and any possible contamination.

Ageas provided AA for 12 months while the initial remedial work was completed, which involved digging up and relaying floors, refitting the kitchen afterwards, and cleaning and decontaminating the property.

I understand that this work was completed and the property was inhabitable again by 3 February 2023 and I haven't seen any evidence to the contrary, so I'm satisfied that Ageas have acted fairly in terminating AA payments.

Discrimination

Mrs M and Mr M say that they have never met their loss adjuster and he has never visited the property. They consider this is because of the location of the property, and that they have been discriminated against based on their location.

I can see that a loss adjuster attended following the escape of oil, and also that the environmental consultant attended on two occasions to measure the VOC's, and a surveyor also attended. Mrs M and Mr M also appointed their own loss assessor at the outset to negotiate with Ageas. While I appreciate that the senior environmental loss adjuster didn't attend the property, this is not unusual where several other professionals attend and prepare reports, and I while I understand that Mrs M and Mr M don't agree with the findings of all the professionals who did attend, I can't see that they were disadvantaged, or any evidence that their claim was prejudiced as a result of not having a visit from the loss adjuster.

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.

Ageas haven't responded, but Mrs M and Mr M have raised some points following the provisional decision.

They have asked why I have preferred the report of Ageas rather than their own contractor regarding environmental risks. They pointed out that low risk in respect of the VOC's is not the same as no risk, and think they shouldn't have to sleep in a bedroom that smells of oil. While I can understand this, the policy covers what is necessary, and the evidence suggests that redecoration isn't necessary in all rooms.

Ageas contractors took readings in all of the rooms of the property. The only rooms that were considered to be above low risk were those adjacent to the spill site – the kitchen, bedroom 1 and the garage. This was echoed in the report from the loss assessor's contractor, where high VOC readings were also only found in the kitchen, bedroom, and garage. So, I haven't seen any evidence to support decoration being needed in rooms other than those directly affected.

In respect of the alternative accommodation, I haven't seen any evidence that the house was uninhabitable after 3 February.

I appreciate that Mrs M and Mrs M feel strongly about the complaint, and they have been through a really difficult time, but having considered everything, I am satisfied that the outcome I have proposed is fair, and so I am making my final decision in line with my provisional findings.

Putting things right

To put things right I think Ageas should:

- Settle the contents claim for clothing from the wardrobes as above
- Pay Mrs M and Mr M £300 for distress and inconvenience

My final decision

My decision is to uphold Mrs M and Mr M's complaint about Ageas Insurance Limited and direct them to put things right as outlined above

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

Joanne Ward
Ombudsman