

The complaint

Mrs S complains about how Ageas Insurance Limited ('Ageas') handled an escape of water claim she made under her home insurance policy.

Mrs S has been represented throughout this claim and complaint, however, for ease of reading, I will refer to all actions taken or submissions made as being those of "Mrs S" where possible.

What happened

The following is intended as a summary of key events only, as the background to this complaint is well known to both parties.

Mrs S held a home insurance policy underwritten by Ageas. She contacted them to lodge a claim for an escape of water at her property. At the time of the claim, Mrs S was in hospital. The damage reported as extensive, and the property was uninhabitable at that time. Whilst works were being undertaken, Mrs S was discharged from hospital, and she moved into a residential care home rather than returning to her property.

Ultimately, the claim process was not straightforward, and Ageas acknowledged there were several delays throughout the life of the claim including the discovery of asbestos which delayed the drying process and slow coordination between Ageas' and their contractors, which meant reinstatement works were not scheduled until later than planned. There were also some communication breakdowns, missed updates, and occasions when contractors didn't attend as agreed. Mrs S says she planned to return home in August 2024 – but there were further delays, and she remained in the residential care home. By October 2024, the property's kitchen and bathroom were functional – but by that point, Mrs S wasn't able to return home and she remained in residential care.

Mrs S complained about the handling of the claim, the delays and service issues. She said if Ageas had finished the works earlier – she could have returned to her property earlier – and she said a new boiler and wet-room was installed in the property on the understanding she would return in August 2024. She also said the delayed completion meant she'd had to stay in residential care for longer than she expected.

Ageas ultimately issued three final response letters throughout the life of the claim. The first was in early-July 2024, which upheld the complaint in part and awarded £100 compensation for poor communication and delays. The second was in late-July 2024 which awarded £500 for further failings. And the third response was in November 2024 which awarded an additional £400 compensation, bringing the total to £1,000. The last final response also outlined why Ageas wouldn't be considering refunding any care home fees as they said specialist accommodation costs were not covered under the policy.

Mrs S remained unhappy with Ageas's handling of the claim and complaint – so, she brought it to the Ombudsman Service. I issued a provisional decision of this complaint, and I said the following:

"I'd like to start by reassuring both parties that I've intentionally summarised the background to this complaint, so not everything that's happened or been argued is set out above. I've done this because the background circumstances of this complaint are largely undisputed, and Ageas has previously acknowledged and agreed that their service fell short on multiple occasions throughout the life of the claim. So, while I've read and considered everything that's been provided - I haven't commented on each and every point made, or piece of evidence provided. This isn't meant as a discourtesy – it simply reflects the informal nature of this Service.

This also means I don't need to make an extended finding on whether or not Ageas did anything wrong here - they did – and they've paid £1,000 compensation to reflect the impact these failings had on Mrs S. As such, the focus of my decision will be to determine whether the amount of compensation Ageas raised adequately addresses the impact caused, as well as addressing the consequential losses Mrs S has raised in respect of care home fees and the costs of installing a new boiler and wet room. I will address each of these issues below in turn, for ease of reference.

Care home fees

The crux of this part of the complaint is that Mrs S says she would have been able to return to her property around August 2024 if it hadn't been for Ageas's delay in completing the repairs. She's explained there were discussions with the local council about putting a care plan in place, a new boiler was installed, and the bathroom was converted to a wet room - all in anticipation of her returning home.

I want to start by acknowledging that Mrs S and her family may well have expected her to return home in August 2024, and I recognise the genuine hope and planning behind these steps. I also appreciate how distressing it must have been when those plans fell through and how the shifting completion dates would have added to the overall disappointment.

My role is to decide whether Ageas should be responsible for the care home fees incurred between August and October 2024. The starting point is always the policy terms. Here, the policy doesn't cover specialist accommodation such as a care home. This means I have to consider whether those fees should be treated as a consequential loss caused by Ageas's delays.

Having weighed up the evidence and testimony, by October 2024 I can see Mrs S says her health had declined to the point where returning home was no longer a viable option. I accept her representative's view that the delays may have been a factor, but to award the care home fees, I'd need to be satisfied that, but for those delays, Mrs S would have more likely than not been able to return home for a meaningful period of time. I've not been provided with any medical evidence to support that, so my conclusions are based on the testimony provided by Mrs S and her representative.

I understand that when the claim was reported, Mrs S was in hospital, and on being discharged she went into a residential care home rather than the type of alternative accommodation the policy covered. Taken together, these points lead me to conclude that it's more likely than not Mrs S would still have been in residential care before the claim finished, and a short time after repairs were completed, she still required that care.

I recognise the emotional toll these delays would have placed on Mrs S - particularly after the hope for her return home - but on balance, I think it's fair and reasonable to

conclude that even if she'd returned in August 2024, she wouldn't have been able to live at home for long enough to make a meaningful difference. It follows that I think the care home fees would have been an inevitable expense and I don't think Ageas needs to pay towards them.

Boiler and wet room costs

Mrs S has explained that she arranged for a wet room and new boiler to be installed with the genuine expectation of returning home in August 2024. I accept this shows a real commitment and hope for that return, and I don't underestimate the disappointment when those plans didn't come to pass. I also recognised the considerable time, thought and expense that went into making the home ready for her.

However, my role is to decide whether these costs are something Ageas should cover as part of fair redress. For me to award them as a consequential loss, I would need to be satisfied that they were a foreseeable result of Ageas's failings and were reasonably incurred in the circumstances. In this case, the works were chosen and carried out in anticipation of Mrs S's return home - but they weren't caused by Ageas's delays. I also think they would be fairly considered to be improvements that remain part of the property and have ongoing value, regardless of whether Mrs S was ultimately able to use them. In insurance, and particularly within policies of indemnity, the aim is to put the customer back in the position they would have been in if the loss hadn't happened - not to leave them better off.

I've also thought about whether the delays meant the works became wasted expenditure. But given my earlier findings - that by October 2024 Mrs S's health meant her return home was no longer suitable - I can't say the delays are what made these works unusable. Even if the works had been completed earlier, they may still have been installed and yet not used by Mrs S for long, if at all.

So, while I acknowledge the significant preparations made for her prospective return, I'm not persuaded the wet room or boiler costs meet the test for a recoverable consequential loss. They weren't directly caused by Ageas's delays, they remain improvements of lasting value, and they don't represent an unavoidable financial loss. For these reasons, I don't think Ageas needs to reimburse the costs as part of fair redress.

Impact and compensation

I want to start by explaining how this Service looks at awarding compensation in complaints. Mrs S's representative has said he feels this Service should impose a fine on Ageas and has also asked for a written apology.

To be clear, this Service is not the industry regulator. We don't have the power to punish or fine businesses - that's the role of the Financial Conduct Authority ('FCA'). Our role is to resolve individual disputes by deciding what's fair and reasonable for the people involved. We can award compensation for the impact businesses actions have had on the customer, as well as for direct financial losses. But those awards are intended to put things right for the customer - they are not designed to penalise a business.

Having considered all the evidence, I'm satisfied Ageas caused unnecessary delays and service failings, and they have accepted this. There are numerous examples of missed opportunities and poor communication throughout the claim, and I could see

how repeated changes to completion dates would have caused understandable upset, distress and inconvenience to Mrs S.

That means I'm satisfied a compensation award is appropriate here. I've weighed up Mrs S's account, the available evidence, and the length of time the claim took. Overall, I think the £1,000 Ageas has already paid goes some way to recognising the distress and inconvenience caused – but I'm not persuaded it fully reflects the overall impact of their service failings. In particular, I've taken into account the length of time Mrs S was left uncertain about the claim, and the repeated delays and changes to the completion date. Given Mrs S's specific situation and medical concerns, I think this caused her considerable upset over a prolonged period.

On balance, I think a slightly higher award of £1,250 is more in line with what I would consider to be fair and reasonable in the circumstances of this particular complaint. And I find this sum better reflects the scale of inconvenience Mrs S experienced, while still remaining proportionate and consistent with the way the Ombudsman Service approaches compensation awards. I appreciate this may not be the level of compensation Mrs S might have hoped for, and it may not ultimately change matters for her, given the larger concerns over the claim process itself, including her concerns over Ageas's adherence to relevant industry guidelines and standards. But I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

Finally, I wanted to address Mrs S's representative's submissions over asking Ageas to provide a written apology. I understand why Mrs S's representative has asked for a written apology, as given the delays and poor communication, it's understandable to want Ageas to acknowledge this directly. But while I have no doubt Ageas caused distress and inconvenience, requiring an apology is not something I would usually direct, as it often doesn't meaningfully change a customer's position. And if a business is compelled to issue one, it's unlikely to feel sincere. I think in this case, the combination of acknowledging failings and paying appropriate compensation is enough to recognise what went wrong."

I concluded that I didn't think Ageas needed to meet the care home fees or property adaption fees. But I did think they should increase their compensation to a total of £1,250 to recognise the distress and inconvenience caused to Mrs S. I invited both parties to provide a response to my provisional findings.

Ageas replied to my findings and said they were generally supportive of my conclusions but questioned why I intended to increase the compensation award. They said they'd already acknowledged their service failings and paid £1,000 compensation and that this amount fell within the range of awards this service would usually make for distress and inconvenience.

Mrs S's representative also replied to my provisional findings. He said the provisional findings were accepted but there was an outstanding concern he wanted to raise - which was in relation to a Ageas's final response letter from November 2024 which he said contained factual errors and was misleading.

As both parties have now responded to my provisional decision, I will set out my final decision below.

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 take on board Ageas's acknowledgement of their service failings, but my role isn't to apply a tariff to compensation - it's to decide what I think is fair and reasonable in the particular circumstances of a case. Published guidelines are designed to give a sense of proportion; but that doesn't mean that a number within any given bracket will then automatically be fair in every case. For example, a payment at the lower end of a particular bracket might be fair where the impact was less severe, even where the circumstances of a complaint technically fit into that range. But a payment towards the upper end of a particular bracket might be fair where the same failing caused a more prolonged or severe impact.

I've thought about Ageas's submission that the compensation they've already paid sits within the same bracket that I've made my award under. But that doesn't mean that their compensation is automatically fair. What matters is the individual circumstances, and the severity of the impact caused. For the reasons I've previously set out, I find the award I've made is appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

I note Mrs S's representatives has concerns about the final response letter, but as I explained in my provisional findings, my role isn't to take regulatory action - that's a matter for the financial Conduct Authority ('FCA'). If Mrs S's representative wishes to raise concerns with the FCA he would be entitled to do so. But having carefully reviewed everything, I remain satisfied the outcome I've set out is fair and reasonable in all the circumstances.

It follows that, because neither party has provided any other information for me to consider, save for the above, I see no reason to depart from my provisional findings, which now become my final decision.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I direct Ageas Insurance Limited to:

- Pay a total of £1,250 compensation – inclusive of any sums previously raised.

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

Stephen Howard

Ombudsman