DRN-5796495

The complaint

Mr and Mrs D complain about Red Sands Insurance Company (Europe) Limited's ('Red Sands') handling of a claim made on their home insurance policy.

Except where otherwise stated, references to Red Sands include its agents.

What happened

Both parties will be familiar with the details of the complaint, so I'll only briefly summarise here what happened.

In November 2023 there was an escape of water in Mr and Mrs D's home. So, they contacted Red Sands to make a claim on their home insurance policy. Red Sands began investigating the claim, but unfortunately on 20 December 2023 Mr and Mrs D's home suffered another escape of water, more severe than the first. Mr and Mrs D notified Red Sands about this, and it set up a claim, eventually merging it with the first.

In January 2024 Red Sands carried out asbestos testing, the results of which were positive. So, it arranged for strip out works and asbestos removal work to be carried out, which was completed in February 2024. Around this time, Mr and Mrs D also provided Red Sands with a list of his damaged contents, in addition to a quote from a kitchen retailer for a new kitchen.

Red Sands agreed to pay Mr and Mrs D a cash settlement for the kitchen materials from this retailer, and it appointed a contractor (who I'll call 'F') on 15 February 2024 to carry out the installation on delivery. Shortly after appointing F, Red Sands issued a payment to Mr and Mrs D comprising of £2,966.96 for their damaged contents and £6,877.25 for kitchen materials.

In March 2024 drying began on the property and a mould treatment was carried out. On 2 April 2024 Red Sands received confirmation the property was dry. Mr and Mrs D's alternative accommodation also expired in April 2024, but Red Sands couldn't agree an extension through the platform it had used to book the property Mr and Mrs D were staying in. Mr and Mrs D sourced another property, but they found it unsuitable as it caused Mrs D to experience an allergic reaction.

Mr and Mrs D were able to move back into the previous property though, having reached an agreement directly with the landlord. And following this Red Sands sent the payments for this property directly to Mr and Mrs D.

After F began the restoration work, the relationship between it and Mr and Mrs D broke down resulting in F ultimately withdrawing from the job. As a result of this, Red Sands decided to settle the claim by paying Mr and Mrs D a cash settlement.

Mr and Mrs D complained to Red Sands about various aspects of the claim, and it provided a final response to this on 24 July 2024. In summary, it said

- It didn't agree there was a lack of communication throughout the claim, but it acknowledged there was an 'unpleasant' conversation in April 2024. However, it believed this had been resolved at the time as an apology was accepted by Mr and Mrs D and a team leader took over responsibility for handling the claim.

- It thought it had settled the contents part of the claim within a reasonable timescale given Mr and Mrs D provided their list of damaged contents on 31 January 2024 and a payment was issued on 16 February 2024.

- It didn't find the scope of work had unfairly changed following the appointment of F and said given a new contractor had been appointed it was necessary for them to visit the property and carry out their own scope of work following the strip out works, drying and asbestos removal.

- It apologised that Mr and Mrs D needed to move out of their alternative accommodation but said this was due to a 90-day limit being imposed by the platform used to book the alternative accommodation.

- With regards to F withdrawing from the work, it said F had tried to make amends and continue work but ultimately was unable to do so. Given that it could not insist F continue carrying on the works, this left it with no option other than to pay a cash settlement to allow Mr and Mrs D to appoint their own trades to complete the work. However, it agreed to cover an additional one week of alternative accommodation to allow time for Mr and Mrs D to complete the works.

- It considered the evidence Mr and Mrs D had provided on the fitting of their new kitchen, but it didn't agree it showed it was necessary to remove and refit all the units to allow for a worktop to be installed.

- It confirmed upon completion of the kitchen works it would reimburse Mr and Mrs D the cost of a clean upon receipt of an invoice.

Mr and Mrs D were dissatisfied with this response, and didn't think it had addressed all their complaint points. So, they referred their complaint to us.

Our investigator found there were aspects of the complaint where Red Sands hadn't acted fairly. And she recommended it do the following to put things right:

- Reimburse Mr and Mrs D the cost of removing and refitting their kitchen on receipt of evidence of costs.

- Reimburse Mr and Mrs D the cost of additional alternative accommodation costs while their kitchen works were being completed on receipt of evidence of costs.

- Reimburse Mr and Mrs D the cost of a clean of their kitchen which needed to be cancelled at short notice in addition to honouring its previous offer to pay for the cost of the kitchen clean when carried out.

- Pay Mr and Mrs D the following costs in relation to items she found were either damaged, incomplete or carried out to a poor standard during the repairs Red Sands carried out:

    - Repairs to the understairs and porch storage cupboards.

    - Fitting of a WC vanity unit.

    - Removal and refitting of WC floor tiles.

    - A driveway and drain channel clean.

    - Internal redecorating including painting and a plaster skim on the living room ceiling.

- Pay Mr and Mrs D £500 compensation for the distress and inconvenience caused by its handling of the claim.

Although Red Sands agreed to some of the investigator's recommendations, neither party accepted the investigator's opinion in full. So, the complaint was referred to me to decide. I issued a provisional decision upholding the complaint in part, and I said:

"I should start by saying while I've read and considered everything Mr and Mrs D and Red Sands have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

For clarity and practicality, I will set out my findings into sub-headings below:

Delays

Mr and Mrs D say that Red Sands caused several delays with their claim including by how it dealt with the initial escape of water claim, making them wait four weeks for drying to start, F not attending frequently to carry out repair work and only working short days when it did, and wiring work on the kitchen not starting on the date which was agreed.

Red Sands acknowledged in its final response Mr and Mrs D had complained about delays in the handling of the contents claim and said it considered this to have been dealt with in a reasonable length of time. And although it set out the sequence of events on the buildings claim in its final response, it didn't specifically comment on whether it agreed there were delays on the buildings claim.

I should say here that all insurance claims carry with them some degree of inconvenience and that it isn't unusual for home insurance claims where substantial damage has been caused to take a significant amount of time to resolve from start to finish. However, Red Sands were required to treat Mr and Mrs D fairly including by proactively progressing their claim and by not causing avoidable delays on it. And if it hasn't done so I can award compensation for distress and inconvenience this has caused Mr and Mrs D.

The first escape of water happened on 11 November 2023 and was reported to Red Sands on the same date. It initially asked Mr and Mrs D for photos of the damage on the date of loss and on 13 November 2023 it also asked them for a plumber's report confirming the cause of the damage and for clarification of the extent of the water damaged items. Mr and Mrs D provided this information to Red Sands on 17 November 2023, following which it said Mr and Mrs D would need to arrange for a plumber to carry out a permanent repair to the pipework and provide a full report saying where the leak originated, and what had been done to repair it.

Red Sands contacted Mr and Mrs D again on 1 December 2023 to chase for a copy of their plumbers report, which Mr and Mrs D provided on the same date. Red Sands then said on

6 December 2023 that it had instructed surveyors who would contact Mr and Mrs D to inspect the damage. Unfortunately, prior to this happening the second escape of water happened on 20 December 2023.

I don't think it was unreasonable for Red Sands to ask for evidence showing the damage since when making a claim on an insurance policy the onus is on the insured to show that an insured event has occurred giving rise to a loss, and I don't think it was unreasonable either for Red Sands to have requested Mr and Mrs D appoint a plumber to stop the leak before attending since before being able to assess the full extent of the damage, and to avoid the risk of any further damage being caused, it was first necessary for the cause to be identified and resolved. So, I don't think these actions resulted in any unreasonable delays.

Mr and Mrs D also said that the surveyor contacted them relatively quickly and booked to visit a few days later on time, and that the company appointed by Red Sands to inspect the damaged items made contact around mid-December. But before it could carry out the inspection, the second leak happened. Considering the short space of time between this company being instructed and the second leak, I don't think there was an unreasonable delay here.

I've next considered the timeline of events after the second leak. After the second leak happened, it took until the end of April 2024 for F to commence the restoration work. However, during this time Red Sands needed to carry out asbestos testing, carry out strip out works and asbestos removal, carry out drying works and mould treatment and review and approve the scope of work. I think these were all reasonable and necessary steps in the claim process.

Mr and Mrs D says it took four weeks for the drying work to commence. The asbestos removal concluded on 12 February 2024 following which I would have expected the drying work to have been the next step in putting the property right. But the drying work didn't commence until 4 March 2024. I acknowledge it may not have been possible for the drying work to commence immediately after the asbestos removal for scheduling and availability purposes but without any explanation for the gap, I think there was likely an avoidable delay in the drying work starting.

Once F began the repair work, Mr and Mrs D say there were further delays because it didn't frequently attend, and when it did it was only for a short time. Mr and Mrs D have provided a daily account of when F attended between 29 April 2024 and 22 May 2024. They've accompanied this with a video from their video doorbell showing the dates on which builders attended. Mr and Mrs D say that out of 18 working days F only attended on seven and only worked on six as on two separate days the contractors worked half days.

On balance, I think this shows the repairs weren't being carried out at a reasonable pace. So, I think that likely indirectly affected the duration of the claim.

So, to summarise I find that there were some avoidable delays in carrying out the drying and some further inconvenience caused by the infrequent attendance of F. Accordingly, I have considered the impact of these delays when deciding on what would be fair and reasonable redress.

<u>Communication</u>

Mr and Mrs D have made several complaint points about how Red Sands communicated with them. These include:

- *Calls not being returned at the start of the claim and a lack of empathy and interest shown in wanting to help towards the start of the claim.*

- *Concerns raised about the quality of work carried out by contractors working for Red Sands weren't taken seriously.*

- *Inconsistent advice being given over whether they could order the new kitchen or if this needed to be done by Red Sands.*

- *A lack of updates being provided as the alternative accommodation booking was coming to an end.*

Red Sands said it didn't find there was a lack of communication during the claim, but it acknowledged and apologised for what it described as an unpleasant conversation which took place in April 2024, saying that following this a team leader took over the handling of the claim.

Mr and Mrs D have provided highly detailed testimony regarding the various communication issues they've raised. On balance, I think this shows the extent of the communication issues were likely greater than acknowledged by Red Sands in its final response. As such, I have also considered the impact of this when deciding on the redress.

Alternative accommodation

Red Sands provided Mr and Mrs D with alternative accommodation which they moved into on 22 January 2024. Red Sands has provided conflicting information on how long this accommodation was booked for saying that there was a 90-day limit on the booking, but also that one of its notes shows the original booking was until 17 May 2024, and as such greater than 90 days.

In any event, it is not in dispute that prior to the completion of the works, this original booking expired and Red Sands weren't able to agree an extension. Mr and Mrs D sourced another property, but when they moved into it, they found it wasn't as described and wasn't suitable for their needs. Mr and Mrs D were able to resolve this situation themselves by agreeing directly with the landlord of the previous alternative accommodation they were in to move back in there.

Given that Mr and Mrs D were able to move back into the previous alternative accommodation and Red Sands agreed to pay them directly for the cost, I think a fair and reasonable resolution was reached to the immediate issue of Mr and Mrs D requiring somewhere to live.

However, Mr and Mrs D were inconvenienced by having to move out and then back in to the original alternative accommodation property, and by having to negotiate directly with the landlord of that property to move back in. So, I've considered if Red Sands acted unfairly in how it handled this, and if it could reasonably have acted differently to avoid the issue arising.

The policy terms and conditions say that Red Sands will pay for the cost of alternative accommodation but make no reference to Red Sands organising or administrating the alternative accommodation. But it's generally common for and good industry practice for the insurer to take the lead in arranging and administrating alternative accommodation, unless the insured expresses a wish to do that themselves. And I think Red Sands acted in line with that by arranging the initial property.

Mr and Mrs D say that the alternative accommodation was originally booked until 19 March 2024, but Red Sands were later able to extend this until 2 April 2024. However, after this Red Sands couldn't agree a further extension on the property which Mr and Mrs D say resulted in them moving out of the property and into the other one on 5 April 2024.

When they moved into the new property, they found it unsuitable due to Mrs D having allergies, and despite the property having been advertised as having no pets, they found evidence that cats had been in the property which led to Mrs D unfortunately suffering an allergic reaction.

As a result of this, on the same day Mr and Mrs D returned to the previous property with the agreement of the landlord there and were subsequently able to reach an agreement to remain there without needing to move out again.

On balance, I'm not persuaded Red Sands has shown it acted fairly in its handling of the alternative accommodation. I say this because the online platform used to book the property includes a section which says that there is a 90-day limit which would have applied to the booking. So, I think Red Sands could reasonably have foreseen that if the claim wasn't resolved within 90 days, an extension wouldn't have been possible through this platform which would have meant another property would need to be arranged.

And I don't think Red Sands has shown why, given the extent of damage, it reasonably expected the property to be fully reinstated within 90 days of Mr and Mrs D moving into the alternative accommodation, or that any other properties were considered which didn't have this limitation.

In addition to this, I don't think Red Sands has shown it provided a reasonable level of support in seeking another property prior to the 90 day booking expiring once it became apparent that Mr and Mrs D's home wouldn't be ready for them to move back into on time. Ultimately, Mr and Mrs D found this property themselves, and I haven't seen evidence from Red Sands showing that it offered them any other properties prior to the original 90 day booking expiring.

I'm sorry to learn of the allergic reaction Mrs D had when in the other property and sympathise with how distressing this must have been. But I don't think I can reasonably find Red Sands were responsible for this as based on Mr and Mrs D's testimony this seems to have occurred because the property which they moved into wasn't as advertised. Given Red Sands didn't book or select this property and couldn't reasonably have known pets had resided in it, I don't think it could have avoided this unfortunate occurrence.

Regardless though, I think Mr and Mrs D were caused avoidable distress and inconvenience by having to move out of their original alternative accommodation, being left to make their own arrangement for finding a replacement property, and again having to make their own arrangements to move back into the original property. So, I have taken this into account when considering the redress.

<u>F's withdrawal from the claim</u>

Having reviewed the evidence provided by both parties, I think there were factors on both sides which likely resulted in the relationship breaking down between Mr and Mrs D and F. It's clear that Mr and Mrs D weren't satisfied with the service they were receiving from F and the quality of its work. And I think F likely were dissatisfied and found challenging the level scrutiny it felt Mr and Mrs D were applying to its work while it was carrying out that work.

Ultimately, I don't think it was unreasonable for F to withdraw from the job. Had it not done so, on balance I find it doubtful the relationship would have improved. And I find it more likely that Mr and Mrs D would have continued to remain dissatisfied with the service they were receiving from F and in turn F would not have wished to continue working on a job with continued customer dissatisfaction.

Red Sands said it couldn't force F to return to the job, and I don't dispute this. But Red Sands also said after F withdrew it was left with the option to offer a cash settlement for Mr and Mrs D to complete the works. I don't agree this was the only option which Red Sands would have had, as it could have appointed another contractor itself to continue with the work. However, Red Sands said while the cash settlement wasn't the preferred option, it considered it to be the fair option in the circumstances. So, I've considered if this was a reasonable way to settle the claim after F withdrew.

While I don't dispute Mr and Mrs D were caused some inconvenience by having to find and arrange their own contractors to complete the work, I don't find it unreasonable for Red Sands to have settled the claim this way. Mr and Mrs D were very actively involved while F were carrying out repairs hence complaints being raised while the repairs were ongoing rather than a single complaint being raised about the quality of work after completion – as tends to more generally be the case.

Given the level of involvement from Mr and Mrs D while repairs were ongoing and the extent of their dissatisfaction with F, I think Red Sands had to consider whether appointing another repairer may have led to similar issues as with F, or whether it would be more pragmatic to pay a cash settlement giving Mr and Mrs D autonomy to choose their own contractors and a greater level of oversight and control over the repairs than had Red Sands appointed another contractor. And, in the circumstances, I think it would have been reasonable for Red Sands to conclude that paying a cash settlement likely would have been the more expedient route to settle the claim and less likely to risk further dissatisfaction to Mr and Mrs D.

So, while I acknowledge Mr and Mrs D's dissatisfaction with F withdrawing from the job and the inconvenience they were caused by having to find and appoint their own contractors to complete the repair work, because I think F's withdrawal from the job was likely the result of a mutual breakdown in the relationship caused by factors on both sides and that following this it was reasonable for the claim to be cash settled, I don't find Red Sands acted or responded unfairly regarding F's withdrawal from the claim.

<u>Quality of repairs</u>

As I set out earlier in this decision, the investigator upheld parts of this aspect of the complaint and recommended Red Sands cover the cost of some repairs which she considered were incomplete, carried out to a poor standard or where damage had been caused by Red Sands.

Red Sands agreed to reimburse Mr and Mrs D the cost of the following items:

- *The understairs and porch storage cupboards.*
- *The fitting of a WC vanity unit.*
- *The cost of cleaning a driveway and drain channel clean.*

- *The cost of a further professional clean on completion of the kitchen works.*

- *£1,628.64 for eight specified items including kitchen blinds, handles and doorknobs, sockets, and porch plastering which were either disposed of during the claim, damaged during repairs or declined despite being in the scope of works.*

- *Red Sands also agreed to cover the cost of the rectification of woodwork damage to floor edging upon receipt of a reasonable invoice and evidence from Mr and Mrs D showing this was damaged by its contractors.*

Since these items aren't in dispute, other than to say I agree that Red Sands should cover these costs, I don't propose to consider them further. I'll instead focus on what remains in dispute.

Refitting the kitchen and associated costs

Mr and Mrs D say that the kitchen was installed incorrectly by F and that when inspected by the builder they appointed, this builder found that everything was installed at the wrong heights which could only be resolved by the kitchen being completed uninstalled and reinstalled. Mr and Mrs D say the kitchen wasn't installed level, and that rather than raising the units to the correct height, F cut out flooring and chiselled screed and concrete to fit the units in, resulting in the units and appliances being wedged in and unmovable. Mr and Mrs D have provided videos showing the condition of the kitchen at various stages in the process, which I have reviewed.

Red Sands didn't agree to cover the cost of reinstalling the kitchen. It said the kitchen was fitted as per the supplied plan as standard, on telescopic legs with appliances placed into position, and although the granite worktop wasn't installed at the time F withdrew, it was left in a fully adjustable state with only final adjustments required to accommodate the worktop. Red Sands has also provided photos showing the condition the kitchen was left in at the time F withdrew from the claim.

It's visible on the video taken on 22 July 2024 that Mr and Mrs D provided that the flooring the washing machine is resting on isn't level and it can be seen around the outer edge of the floor the washing machine is on that parts of the floor appear to have been chipped away. Red Sands provided a copy of this video to F asking for it to comment. It said it didn't gun the screed and said it believed this happened once the worktop was fitted to lower the appliance.

Having reviewed the evidence, on balance I'm not persuaded the kitchen was installed properly by F. I acknowledge that F withdrew from the job before it was completed, and that it wouldn't have been unusual for some adjustments to have been needed to the kitchen units prior to the fitting of the worktop.

But I don't find it likely that the flooring around the washing machine was chipped away after F left and prompted by difficulties in installing the worktop. I say this because on the photos F provided it's visible that the washing machine is already mounted within a frame which leaves clearance of several centimetres above the top of the appliance for the worktop to be fitted. So, I cannot see why lowering the washing machine by chipping away at the floor would have served to assist in fitting the worktop.

Instead, I think it is more likely that the floor underneath the washing machine was chipped away at to provide clearance to fit the washing machine within the frame. On the photos F provided there appears to be minimal space between the top of the washing machine and the frame it sits within. Therefore, I find it plausible that if there were difficulties in fitting the *washing machine into the space, the floor was chipped away at to lower the floor and provide more clearance under the frame. And this would likely align with when F were still working on the kitchen.*

So, I think this is indicative that there were issues with the install of the kitchen. I acknowledge here that entirely removing and refitting the kitchen was both a drastic and costly step for Mr and Mrs D to have taken. And I am mindful that Mr and Mrs D ought to have mitigated any additional costs for any rectification costs which may have been required. As such, I have considered carefully if it was necessary for Mr and Mrs D to have done this, or if the issues could have been resolved just by making minor adjustments to the existing kitchen fitting.

On balance, I think a complete reinstall likely was necessary. Mr and Mrs D have provided several videos before during and after they had this work carried out. I can see from these the issues went beyond just the washing machine as for example one section shows the floor similarly was disturbed underneath where the dishwasher was fitted and the wall cabinets also required being raised.

Mr and Mrs D have provided an invoice of £4,200 for removing and refitting the kitchen, which also included rewiring and adjusting pipework, and another invoice for £1,200 for removing and refitting the kitchen worktop.

I recognise here that the costs involved were high. And it would have been preferable to see estimates of this work from more than one company. But I think Mr and Mrs D were under pressure to get the work done quickly, because until it was completed, they could not move back into their home and were at risk of incurring more alternative accommodation costs. So, in the circumstances, I think it's reasonable for Red Sands to reimburse Mr and Mrs D the £5,400 cost they paid for the rectification work on their kitchen. In addition to this, given that Mr and Mrs D have been without these funds, I intend to require Red Sands apply simple interest to this payment at a rate of eight percent per year calculated from the dates the invoices were paid, to the date of settlement.

Additionally, Mr and Mrs D incurred a cancellation fee of £144.50 for a planned professional clean. Red Sands had previously agreed to cover the cost of this professional clean of the kitchen and Mr and Mrs D had this booked for 23 July 2024 on the expectation that the building work would have been completed by then. However, on discovering the additional work which was required to the kitchen, Mr and Mrs D needed to cancel this booking at short notice incurring the £144.50 cancellation fee.

I think it was unavoidable that Mr and Mrs D needed to cancel this booking and the result of the additional rectification work which was required to their kitchen. So, I find it reasonable for Red Sands to reimburse Mr and Mrs D the £144.50 fee in addition to adding interest to this payment.

I have also considered the additional alternative accommodation costs Mr and Mrs D say they incurred due to the extra work required on the kitchen.

In its final response to the complaint, Red Sands agreed as a gesture of goodwill to cover one additional week of alternative accommodation after the expected repair completion date of 25 July 2024.

However, Mr and Mrs D said that this wasn't sufficient as the additional work on their kitchen took three weeks after the extra week Red Sands agreed to cover and cost them £1,470 extra.

Because I find that the removal and reinstallation of the kitchen was necessary, I've considered this as a consequential loss of that requirement. Having done so, while I find it reasonable that it may have taken longer than one week to complete the reinstallation of the kitchen, I'm not persuaded it was reasonable for it to have taken an additional month from the original expected completion date for the reinstatement of the kitchen.

So, I don't find it would be fair for Red Sands to cover an extra three weeks beyond the one extra week it covered. Instead, I intend to require it to cover the cost of an additional two weeks of alternative accommodation beyond the original expected completion date of 25 July 2024 and to add apply interest to this amount if Mr and Mrs D have already paid this cost, as I find this a more reasonable timeframe for the work to have been completed within.

Removal and retiling of the WC floor

Mr and Mrs D say that the tiled floor in their WC needed to be replaced because upon trying to install the toilet it was found the floor tiles were hollow and as such would cause problems. And upon removal of the tiles, they say the tiles weren't laid correctly as they didn't adhere or bond. To rectify this, Mr and Mrs D paid £700.

Our investigator recommended Red Sands reimburse Mr and Mrs D this cost, saying that on reviewing a video Mr and Mrs D provided an inadequate amount of adhesive was used to ensure a lasting and effective bond with the floor which is contrary to the British Standard requiring at least 80% adhesive coverage.

Following this recommendation, Red Sands didn't provide any further comments why it didn't agree, other than to say its stance remained the same.

As it stands, I see no reason to depart from the position the investigator reached on this point. So, unless Red Sands has any further comments or evidence to provide showing the WC floor tiles were correctly bonded to the floor, I intend to require it reimburse Mr and Mrs D the £700 they paid for this rectification work, in addition to applying interest to this amount.

Internal refurbishment

Mr and Mrs D say that extensive redecorating was required and some items which should have been included in the work were incomplete. This included sanding and repainting doors, frames and handrails, refitting door handles, applying missing fasciae and trims to the living room and kitchen, replastering and repainting the kitchen ceiling, making good the kitchen walls, applying and painting skirting in the porch, and removing the remaining porch unit and repairing woodwork.

I'll summarise my findings on this aspect of the complaint below:

- *In an email chain from April 2024 said of the porch "We're unsure if skirting was there before but can include this without further checks as it's a very small area". Red Sands were required to reinstate the property to the condition it was in prior to the loss. It's not required to upgrade or improve the property. But, if it's in doubt that this skirting wasn't present before, to avoid the risk of detriment to Mr and Mrs D, I find that it should be covered.*

- *Similarly with the trim for the window, I don't think it's been shown this wasn't present before and was unaffected, in addition to which, F agreed to include this in the scope in a recorded conversation with Mr D. So, I also think this should be covered.*

- *Mr and Mrs D have provided extensive testimony and photographic and video evidence showing the quality of the decorating after F withdrew. These images show, for example marks and speckles on interior surfaces, a poor quality paint finish in part of the hall and wavy uneven lines on the finish of the hallway ceiling.*

I'm mindful that F withdrew from the job, prior to completion. So, it's difficult to say this is all representative of what the final finish would have been had F remained and completed the work. Ultimately though, Red Sands were required to carry out a lasting and effective repair - reinstating the property to the condition it was in prior to the loss. And if F had remained to complete the repair work, and there were snagging issues, it would have been reasonable and in line with good industry practice for Red Sands to have inspected any reported issues and put right any repair work it agreed was incomplete or carried out to a poor standard.

Mr and Mrs D have provided a detailed summary of their costings. Within this they've specified the total for their decorating was £4,860. But I haven't been provided an itemised invoice or estimate showing the redecorating costs and as such I don't think there's enough for me to find this figure is a fair and accurate representation of the cost of rectifying the various decorating/finishing issues Mr and Mrs D reported.

So, I think in the circumstances it would be fair and reasonable for Red Sands to consider further the redecorating costs upon receipt of an itemised invoice or estimate from Mr and Mrs D showing the costs. Following review of this, Red Sands should reimburse Mr and Mrs D the cost of putting right any redecorating/finishing costs which it agrees likely were the require to put right any incomplete or poor quality repairs carried out by F.

If following this review, a mutually agreed settlement cannot be reached between Red Sands and Mr and Mrs D for the redecorating costs, they will then be entitled to raise a new complaint about this specific issue.

<u>Redress for non-financial losses</u>

I find there were several issues with Red Sands handling of this claim including some avoidable delays on the claim, communication issues, a lack of reasonable support in arranging and administrating the alternative accommodation, and issues around the quality of repairs carried out.

I think this has caused Mr and Mrs D a lot of distress and inconvenience. Of particular note, I think Mr and Mrs D were caused to worry about their alternative accommodation situation, and while I don't find it was unreasonable for F to have withdrawn from the repair work, regardless of that, I think Mr and Mrs D have shown there were issues with aspects of the repair work which in turn has caused them inconvenience to put right.

Having considered the extent of the issues and the impact caused to Mr and Mrs D, I find that compensation is warranted, and I find £1,000 to be a fair and reasonable amount that is consistent with the level of award our service might make where substantial distress has been caused or there has been serious disruption."

Red Sands replied saying F had encountered challenges while working on the property including Mr and Mrs D's own contractor working on site and plastering over a wall they had painted and pouring paint down drains. In addition to which it said there was an incident in July 2024 where Mr D had become quite aggressive but apologised later in the day. Red Sands also disputed that the kitchen needed refitted and said Mr and Mrs D hadn't given it an opportunity to reattend to put things right. So, it didn't agree it should be held liable for the cost of refitting the kitchen, the cost of the clean, or for any additional alternative accommodation.

Mr D responded disagreeing with parts of my decision. His comments included, but were not limited to the following:

- The delay in carrying out an inspection was due to a breach of GDPR and left him and his family living in unsafe conditions over the Christmas period.
- The delays in F carrying out the repair work led to critical elements of the repair being left unfinished or not started which extended his and his families stay in alternative accommodation by several months and caused a substantial increase in the overall length of the claim.
- The 90 day limit on the alternative accommodation booking wasn't simply a term of the platform used to book the accommodation but was a regulatory limit meaning the property should never have been selected. Several acts of negligence on the part of Red Sands directly exposed them to the allergic reaction and harm Mrs D suffered.
- Accountability for F withdrawing from the job should lie solely with F as it consistently failed to meet basic expectations. The breakdown wasn't mutual as Mr and Mrs D weren't conducting themselves unreasonably and were only raising justifiable concerns.
- The timeframe in which the kitchen reinstatement works were completed was reasonable and necessary and evidence has been providing to demonstrate this.
- A professional, itemised quote has been provided which includes a detailed scope of works supporting the £4,860 costs for the redecorating works.
- The total cost of rectification works for the kitchen was £5,670 and not £5,400.
- £1,000 does not adequately or fairly reflect the extent of the failings – which do not solely relate to F but also relate to Red Sands and the claims management company appointed to act on its behalf.

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'd like to assure Mr D and Red Sands that I've read their response to my provisional decision in full. But I won't be commenting on every point which has been made. In line with our remit to resolve complaints promptly and informally, I will again instead concentrate on the key points I need to consider to reach a fair and reasonable decision.

Mr D has requested written confirmation of his right to pursue legal action if he decides to accept this final decision. However, I cannot provide any such confirmation because under our rules if the complainant accepts a final decision it is binding on them and the respondent and is final.

Having considered the responses to my provisional decision, I've reached a different position on some parts of the complaint. I'll explain why.

Mr D says his claim was placed on hold after a conversation with a third party who wasn't named on his policy, and who hadn't passed any security checks. He says this caused significant delay resulting in him and his family being left in uninhabitable dangerous conditions. And Mr D says this was a breach of GDPR.

Between the first and second claim a flooring company was appointed by Red Sands who attended in the middle of December 2023 to carry out an inspection. Mr D says after the second leak happened, he called the loss adjuster on 11 January 2024 for an update and was told his claim was put on hold because the flooring company had requested this on Mr D's behalf.

We're not a regulator and we don't have powers to fine or punish a business when something has gone wrong. If Mr and Mrs D have concerns Red Sands were in breach of any regulatory or legal requirements with respect to the handling of their personal data, the relevant regulator for them to speak to is the Information Commissioner's Office (ICO).

But I have considered if Mr and Mrs D were treated fair and reasonably. I don't find it materially unfair for a contractor appointed by a loss adjuster to discuss claim related matters they've been instructed to attend to, since they have a legitimate reason for doing so. But the flooring company didn't have authority to make decisions on the claim on Mr D's behalf – so if it said Mr and Mrs D had asked for their claim to be placed on hold when Mr and Mrs D had made no such request, that would be unfair.

Ultimately though, on balance I don't think the evidence shows that Mr and Mrs D's claim was placed on hold during the time in question. The flooring company attended in the middle of December 2023 but unfortunately shortly after this the second escape of water happened.

But, looking at Red Sands claim notes it recorded the instruction for the new claim on 22 December 2023, instructed a company on the same date to carry out a survey and estimate, received the plumbers report from Mr and Mrs D on 26 December 2023, instructed an asbestos specialist on 27 December 2023, carried out the asbestos testing on 3 January 2024, received a scope of works on 4 January 2024 and received the asbestos testing results on 9 January 2024 having informed Mr and Mrs D and the loss adjuster on the same date it was awaiting these results. I don't find this level of activity on the claim to show the claim was placed on hold.

However, I think there is a question as to why Mr and Mrs D weren't offered alternative accommodation earlier than 22 January 2024. Mr D says his home was uninhabitable and dangerous as it was subject to damp, mould and disturbed asbestos.

I asked Red Sands to comment on whether alternative accommodation was considered or offered earlier than 22 January 2024. It hasn't provided any further comments or evidence on this.

I acknowledge that it can take some time to find and arrange suitable long-term alternative accommodation for a family to live in over several months. So, once the need for alternative accommodation was identified, I wouldn't necessarily have expected Red Sands to find a long-term option straight away. However, it potentially could have looked at some short-term options such as hotel accommodation while it was searching for a suitable longer-term option such as a rental property.

On balance, I'm not persuaded Red Sands has shown that alternative accommodation shouldn't have been offered earlier or that it couldn't have made some arrangements in the short term before 22 January 2024. Particularly after the property suffered even more damage following the second escape of water on 22 December 2023. And I think that caused Mr and Mrs D some distress and inconvenience. So, I've considered this when thinking about fair and reasonable redress.

Mr D says Red Sands original scope of works explicitly included replacing copper pipework which was corroded due to the original leak and subsequent damp conditions. But he says this work was never carried out and the pipework was instead worsened due to plaster being spilled on to it. And although F agreed to return and remediate the pipework, this was never done.

I asked Red Sands for its comments on this, but it hasn't provided any further evidence. As such, I see no reason why this cost should be excluded and I uphold this complaint point. To put this right, I require Red Sands to pay Mr and Mrs D the cost of replacing the damaged copper pipework in line with the original scope of works.

Mr D says that from the outset he informed Red Sands to use only water based paint due to health sensitivities affecting Mrs D and his child, but despite this F purchased and intended to use oil-based paint.

Mr D has provided a video taken from his doorbell which shows two of F's employees retrieve paint from their van and discuss if it is water based. One of these people confirm it isn't water based but says they'll use it anyway. Mr D has also provided a recording of a voice message he left with F bringing this to their attention and asking them to put it right, in addition to a response from F to say it would investigate the issue and put it right.

In the evidence Mr D has provided, F seem aware and don't dispute Mr D having previously stated water-based paint would be used. So, I think this shows that F were intending to disregard this request at one point requiring Mr D to intervene. And I think that's caused him some distress and inconvenience, which I've considered when deciding on the redress.

Mr D says that while F held the keys to his property they handed these keys to a third party-private builder without his or Mrs D's knowledge or consent. And as a result of this, the next day F had to call him early in the morning to be let into the property as the key hadn't been left where expected.

In evidence of this, Mr D has provided a video which shows one of F's employees searching for the key and making a call to say he can't find it. I'm satisfied this shows the key likely was handed to the third-party builder Mr D had appointed to carry out work outside of his policy.

I think this was unreasonable as F should not have given the key to anyone else if Mr D had solely entrusted it with the key. Doing this was a security risk which caused distress to Mr and Mrs D, and Mr D was also inconvenienced by having to attend to the situation due to F being unable to access the property.

So, I have also taken this into account when deciding on the redress.

I found in my provisional decision that Red Sands didn't act unreasonably due to the withdrawal of F from the building work. Mr D didn't agree that he and Mrs D had caused F to withdraw.

I've considered Mr D's comments, and I don't dispute that there were some issues with the service F were providing, or that it wasn't unreasonable for Mr and Mrs D to raise concerns about this. But on balance, I still think it's likely if F hadn't withdrew when it did the relationship wouldn't have improved and neither would Mr and Mrs D's level of satisfaction with the service they were receiving from F.

And ultimately, if F hadn't withdrew, but Mr and Mrs D continued to be dissatisfied with the service being provided, Red Sands would have needed to consider if it was fair to them to continue to leave a contractor working in their home who they had persistently expressed dissatisfaction with.

So, in the circumstances, I still find that although it added inconvenience to Mr and Mrs D, paying a cash settlement which allowed them their own choice of contractor was the fair and reasonable way to settle the claim after F's withdrawal.

Mr D provided some further comments about the alternative accommodation situation, and Mrs D's allergic reaction. Although I've considered Mr D's comments, I see no reason to depart from what I set out in my provisional decision as I do not consider Red Sands to responsible for Mrs D's allergic reaction given that it couldn't reasonably have foreseen this would happen.

Red Sands said in its final response it had previously agreed to cover the cost of Mr and Mrs D's alternative accommodation until 26 July 2024, but as a gesture of goodwill it agreed to extend this by one further week. I found in my provisional decision that this should be increased to two weeks as a reasonable timescale for the rectification work to be carried out on the kitchen.

However, Mr D disagreed with this and maintains that an additional three weeks should be covered instead. So, I've considered this further.

Red Sands provided its final response to Mr and Mrs D on 24 July 2024 saying that it declined to cover the cost of refitting the kitchen but would cover the alternative accommodation up to 2 August 2024. So, I think given that Red Sands confirmed its position in this final response, Mr and Mrs D could have started looking for their own contractor.

However, I acknowledge that aside from just carrying out the work, it was necessary to find a contractor and arrange a start date. And Mr D has provided evidence showing he approached multiple companies and struggled to get a quick start date.

I don't think the rectification work itself on the kitchen should likely have taken more than two weeks, but bearing in mind it would likely have taken some time to find a contractor at short notice and for a start date to be booked in, I think an extra weeks allowance beyond the two which I said was reasonable in my provisional decision is fair.

So, I've reconsidered my position on this part of the complaint and find that Red Sands should cover Mr and Mrs D's alternative accommodation for an additional three weeks after 26 July 2024.

I have considered Red Sands comments and response about the necessity of refitting the kitchen, but I'm still more persuaded by the evidence Mr and Mrs D provided on this and so for the same reasons I set out in my provisional decision I've decided to require Red Sands to cover the cost of reinstalling the kitchen.

As a point of clarification, I said in my provisional decision that the cost of rectifying Mr D's kitchen was £5,400. But Mr D says the correct amount was £5,670, which was comprised of £4,200 for the kitchen and £1,470 for the worktop.

I've checked Mr D's invoices again and see that the invoice dated 12 August 2024 for refitting the kitchen was for a total of £4,200. However, the invoice marked as paid for the kitchen worktop shows a total of £1,440 and not £1,470.

So, I apologise to Mr and Mrs D for quoting the wrong total in my provisional decision, but I also don't agree the correct total is £5,670. Instead, based on the invoices provided, I find the total for the kitchen rectification work to be £5,640.

Mr D says that permanent damage was caused to his newly installed kitchen including damage to unit panels, doors and surfaces, multiple large holes and portions being cut for no reason which has invalidated warranties and poor-quality finish and failure to protect new fittings.

I've decided not to uphold this part of Mr and Mrs D's complaint. I don't think it's been shown the warranty has been invalidated or that functionally the kitchen has been affected and looking at the evidence showing the condition of the kitchen following the rectification work Mr and Mrs D had carried out, I think the kitchen has now been reinstated to a reasonable standard.

In my provisional decision I said I intended to require Red Sands consider the redecorating costs on receipt of an itemised invoice or estimate from Mr and Mrs D showing the cost of this work.

Mr D provided a very detailed response to this point setting out why he considered the estimate he had already provided was in line with industry standards, and why he wouldn't be able to provide anything more to break down the cost of the work.

Having considered Mr D's response further, I'm now satisfied it would be reasonable for Red Sands to reimburse Mr and Mrs D the redecorating cost of £4,860 they've incurred rather than just consider these costs. It isn't uncommon for there to be snagging issues, particularly where extensive repairs have been carried out and had F not withdrew, I would have expected Red Sands to inspect and put right any snagging issues that were reported after completion of the work.

Ultimately, Mr D has provided extensive testimony and photographic evidence of the condition the property was left in and on balance, I think it shows there were various issues with the decorating. Again, it's difficult to say what the final finish would have been if F hadn't withdrew but the point here is that in any event Red Sands were required to reinstate the property to the condition it was in prior to the loss and to carry out repairs which were lasting and effective, including any redecorating which formed part of the scope of works.

Mr D provided an estimate which gives a broad overview of the redecorating work including repairing all ceilings, walls and doors on the ground floor, installing UPVC beading above doors and windows, painting the staircase, sanding of woodwork, replastering the living room ceiling and refitting door handles. Mr D has also shown that he enquired with his builder if they could provide individual costings for this work, but they declined to do so. So, I think it's unlikely Mr D would be able to provide any further evidence than what he already has to support the cost.

Revisiting the evidence on this point and taking into consideration Mr D's response, I see no reason to doubt the estimate he's provided or that there wasn't a need for this work to be carried out to address incomplete work or snagging issues. And I think there would be a risk of detriment to Mr and Mrs D in not receiving back the redecorating costs if these were only considered by Red Sands and Mr and Mrs D unavoidably couldn't provide a more detailed estimate. So, I've decided instead to require Red Sands to reimburse the cost instead. In addition to this, if Mr and Mrs D have already paid the invoice, I also require Red Sands to add simple interest at a rate of eight percent per year from the date the invoice was paid to the date of settlement.

Mr D has also provided some further comments about the woodwork damage to the floor edging, which I'd found in my provisional decision that Red Sands should consider covering the cost of on further evidence from Mr and Mrs D showing the damage was caused by its contractors and upon receipt of an invoice or estimate.

I've considered Mr D's comments and explanation for how this was damaged, but I don't think there's enough to show what likely caused this damage or the cost to rectify it, so as per my provisional decision I still think it's fair and reasonable for Red Sands to consider the damage on receipt of further evidence from Mr and Mrs D.

Finally, I said in my provisional decision I intended to require Red Sands pay Mr and Mrs D compensation of £1,000. I should clarify here that when considering this compensation, I have considered not just the service provided directly by Red Sands but also those appointed by and acting on its behalf including F.

Having considered this further I think more compensation is warranted taking into account the issues which I've outlined above including the delay in arranging alternative accommodation, the distress caused by a contractor proposing to use oil based paint against Mr and Mrs D's instructions, and the distress and inconvenience caused by the unauthorised handover of the house key.

And I find a total of £1,500 to be fair, reasonable and in line with our award levels for the distress and inconvenience caused by the various issues with this claim which I've set out both here and in my provisional decision.

Putting things right

I require Red Sands to do the following:

- Pay Mr and Mrs D £1,500 compensation for the distress and inconvenience caused by its handling of the claim.

- Upon receipt of an invoice or estimate if requested, pay Mr and Mrs D the cost of rectifying the damaged copper pipe work in line with the original scope of works. If Mr and Mrs D have already paid for this, simple interest at a rate of eight percent per year from the date the invoice was paid to the date of settlement should be added to this payment.

- Pay the repair costs previously agreed for the following items and apply simple interest at a rate of eight percent per year from the date the invoice was paid to the date of settlement on any items Mr and Mrs D have already paid for:

    - The understairs and porch storage cupboards.

    - The fitting of a WC vanity unit.

    - The cost of cleaning the driveway and drain channel clean.

    - The cost of a further professional clean for the kitchen.

    - £1,628.64 for the eight items specified items damaged during repairs or previously declined despite being in the scope of works.

- Reimburse the £5,640 cost for the rectification work required to the kitchen and apply simple interest at a rate of eight percent per year from the date the invoices were paid to the date of settlement.

- Reimburse the £144.50 cost for the cancellation fee for the kitchen clean and apply simple interest at a rate of eight percent per year from the date the invoices were paid to the date of settlement.

- Increase its previous offer to cover one additional week of alternative accommodation beyond 26 July 2024 to three weeks and if Mr and Mrs D have already paid this cost apply simple interest at a rate of eight percent per year from the date the invoice was paid to the date of settlement.

- Reimburse the £700 cost for the retiling of the WC floor and apply simple interest at a rate of eight percent per year from the date the invoice was paid to the date of settlement.

- Cover the cost of the skirting and window trim upon receipt of an invoice or estimate if requested. If Mr and Mrs D have already paid these costs apply simple interest at a rate of eight percent per year from the date the costs were paid to the date of settlement.

- Consider further covering the cost to rectify woodwork damage to the floor edging upon further evidence from Mr and Mrs D showing this was caused by its contractors and upon receipt of an invoice or estimate.

- Reimburse Mr and Mrs D the £4,860 cost for the internal redecorating work and if Mr and Mrs D have already paid this invoice, add simple interest at a rate of eight percent per year to this payment from the date the invoice was paid to the date of settlement.

If Red Sands considers that it’s required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs D how much it’s taken off. It should also give Mr and Mrs D a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I have set out here and in my provisional decision, my final decision is that I uphold this complaint, and I require Red Sands Insurance Company (Europe) Limited to carry out what I’ve set out in the ‘Putting things right’ section of this decision.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs D to accept or reject my decision before 2 October 2025.

Daniel Tinkler
Ombudsman