

The complaint

The executor of the late Mrs H's estate complains about a claim made on Mrs H's home insurance policy with Ageas Insurance Limited ('Ageas').

What happened

The following is intended as a summary of key events only.

Following Mrs H's death in 2017, her executor made a claim under a home insurance policy underwritten by Ageas for subsidence damage. The claim was investigated and Ageas appointed loss adjusters in 2018. However, due to disagreements and delays, a complaint was raised by the executor in November 2019. Ageas responded to that complaint in January 2020 but the executor remained unhappy, so she brought the complaint to this Service. An Ombudsman issued a final decision on that complaint in November 2021 which was accepted by the executor.

A further complaint was raised in June 2024 about events that had occurred since the last complaint. The executor said further ground level monitoring was carried out, but it wasn't positioned properly to capture the most affected areas of the property. And there were disputes about the role of contractors and structural engineers, which the executor said caused unnecessary confusion and further delays.

By early 2024, Ageas had obtained repair quotations, but they decided the property was beyond economic repair. And in May 2024, Ageas wrote to the executor and said they would not be looking to instruct repairs but proposed to settle the claim either by paying the cash equivalent of the repair costs, or by a diminution in market value settlement linked to an auction sale of the property.

The executor disagreed and said the policy promised repairs unless she chose otherwise, and that Ageas was misrepresenting the terms by trying to impose a cash or diminution settlement. She maintained that she wanted Ageas to carry out underpinning and complete the repairs to the property so it could be restored and lived in. She also outlined that Ageas's ongoing delays, poor communication, and their refusal to progress repairs had caused significant inconvenience and additional expenses – so, she raised a complaint.

Ageas considered the complaint and responded to it in July 2024. They acknowledged there had been delays but said the claim was not straightforward and was very complex in nature. They outlined they had originally made two offers to conclude the claim - either a full cash settlement in lieu of repairs, or a diminution in value settlement with the property sold at auction. But they said they had also agreed to a third option for repairs to be carried out at the property. Ageas said stored items needed to be removed and they said their options covered every reasonable way to settle the claim. Ageas said they'd attempted to move the claim forward on numerous occasions but had been unable to, and therefore they believed the only viable option left to conclude the claim was for it to be settled on a cash basis.

The executor remained unhappy with the Ageas's response – so, she brought it to this Service.

I issued a provisional decision of the 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 agreed between the parties. 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. Instead, I've focused on the key points of the dispute in order to reach a fair and reasonable outcome. This isn't meant as a discourtesy; it simply reflects the informal nature of this Service.

I should also explain that, while I've set out some background information; I won't be making any findings on matters prior to November 2021 – when an Ombudsman colleague issued a final decision on events up until that date. So, my decision here focuses on events after that final decision up until Ageas's final response in July 2024.

As it stands, the complaint essentially falls to me to decide whether Ageas have acted fairly in the offers of settlement they've made. I have carefully considered the options Ageas put forward. While I appreciate they've tried to give exact of choice assessment routes – cash, sale at auction, and later, repairs - I don't think it's fair or reasonable to leave the onus of that decision on the executor to accept a cash settlement if her preference is to have the damage to the property repaired.

Insurance is intended to put a policyholder back in the position they would have been in had the damage not occurred. For buildings policy, the natural and primary way to achieve this would be by arranging repairs. I've considered the background of this complaint very carefully, and while I recognise the unique issues and delays that have been caused, a cash settlement would usually only be appropriate where repairs aren't possible, or where a customer prefers a cash payment instead of repairs. While I can see the executor did discuss the option of a cash settlement early on in the claim, I've not seen any persuasive reason why repairs cannot be arranged by Ageas.

Ageas said the claim has been complex and delays have naturally arisen. As I said above, I recognise the unique circumstances of this complaint; but I don't think that justifies compelling the executor into a cash settlement when she is made clear she wants the repairs to be completed. In my view, asking her to manage the repairs itself or accept cash sound transfer's responsibilities that should properly sit with an insurer. And given the issues that have been experienced to date, accepting a cash settlement in lieu of repairs also exposes her to the risk of further works arising at a later date that were not initially included.

Ultimately, my role is to decide what I consider to be a fair and reasonable outcome to a particular complaint. And having taken everything into account, I find that it would be fair and reasonable for Ageas to appoint contractors to complete the necessary repairs to the property, ensuring the damage caused by the insured event is put right. That is the outcome the policy wording promises, and it's what I think will best meet the executor's reasonable expectations to conclude the claim.

What was the impact

As the Investigator has previously set out, this Service's rules do not allow me to make an award directly to an estate's executor. Those rules state that we can only

make awards for distress and inconvenience to 'eligible complainants'. The rules go on to explain who is eligible to complain to this service. In the circumstances of this complaint, the eligible complainant is the late Mrs H, as she owned the property and therefore was the beneficiary of the insurance policy that covered it.

A specific rule (DISP rule 2.7.2 R) allows a third-party to bring a complaint on behalf of an eligible complainant to this Service, for example from an executor of an estate for an eligible complainant that has since passed away. That applies here to the executor of the late Mrs H's estate. But that doesn't mean the executor is an eligible complainant in her own right. It follows that I cannot make an award for distress or trouble caused to the executor for the late Mrs H; our rules simply do not permit me to award compensation to a representative in these circumstances.

However, I can make a compensation award for any inconvenience caused to the estate. And in this case, I think the proposal to settle the claim by selling the property or settling on a cash basis were not practical or fair solutions in the circumstances. Repairs weren't outlined as an option in the May 2024 proposal, and it wasn't until the final response in July 2024 that Ageas confirmed repairs could instead be arranged. I think this contributed to delays in concluding the claim and would have added additional inconvenience. So, while I can't make an award to the executor personally, I think it's appropriate to recognise the additional impact caused by Ageas's delays in handling the claim when deciding on a fair outcome; and I think Ageas should pay £200 to recognise this.

Conclusion

Ultimately, while I recognise Ageas's concerns over concluding the claim, I don't think it would be fair for them to insist on a cash settlement in this case. Instead, I think Ageas should arrange and oversee the repairs needed to put right the damage to the property caused by the insured event.

I've also considered the executor's request for reimbursement of further costs she said she's incurred as a result of the delays to the claim. While I can see the executor has provided evidence of these losses directly to this service, she hadn't provided them to Ageas at the point in which they issued their final response to her complaint, so it follows that I can't consider them as part of this decision.

Ageas outlined that they required evidence to support any reimbursement of costs incurred as part of the claim, and said they could review these, confirm if they were accepted under the claim and arrange for reimbursement. I don't find this to be unfair or unreasonable, as Ageas will need to consider the evidence before they can comment on whether it is to be reimbursed. I understand the Investigator has provided this evidence to Ageas directly – so, they should provide a response directly to the executor as to whether these costs are to be reimbursed. Should she remain unhappy with Ageas's reply – she's free to bring a new complaint on this point."

I concluded that I intended to uphold this complaint in part. I said I would direct Ageas to instruct and manage suitably qualified contractors to complete the outstanding works covered by the insured claim and pay £200 for the inconvenience caused in their handling of the claim. I asked the parties to provide their replies to my provisional findings.

The executor replied to say the delays to the repair process had presented challenges to closing the complaint as resolved without a final decision.

Ageas also responded to say they accepted my provisional findings and would instruct their loss adjusters to arrange for the repairs to be booked in.

As both parties have now had the opportunity to respond to my provisional findings, 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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings. So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I have set out above, my final decision is that I uphold this complaint in part. I direct Ageas Insurance Limited to:

- Instruct and manage suitably qualified contractors to complete the outstanding works covered by the insurance claim.
- Pay £200 for the inconvenience caused in their handling of the claim.

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

Stephen Howard
Ombudsman