

The complaint

Mr A complains about how esure insurance Limited has handled and offered to settle a claim on their buildings insurance policy following an escape of water.

What happened

Mr A suffered an escape of water in his property in early September 2023. He raised a claim with esure which was accepted. Mr A is unhappy his family weren't placed in alternative accommodation (AA). He's also unhappy with the amount esure has offered to settle the claim. He raised a complaint which was upheld by esure. Whilst in general, esure didn't think they'd done anything wrong in relation to the claim, they offered £175 for the late response to Mr A's complaint. Mr A was still unhappy so brought the complaint to this service.

Our investigator didn't uphold the complaint. He felt esure had handled the claim fairly, so didn't think esure needed to do anything further. Mr A appealed. As no agreement could be reached, the complaint has been passed to me to make a final decision.

Because I disagreed with our investigator's view, I issued a provisional decision in this case. This allowed both esure and Mr A a chance to provide further information or evidence and/or to comment on my thinking before I made my final decision.

What I provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether esure acted in line with these requirements with how they've handled Mr A's claim."

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr A has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit."

For ease of reference, I've split the complaint points up under the same headings as our investigator separately below."

AA

Our investigator didn't think esure had done anything wrong by not putting Mr A in AA."

However, I disagree. I'll explain why.

The policy terms set out the following:

"Whilst Your House is not habitable following an insured incident, we will provide temporary alternative accommodation until the repairs are complete (practical completion). We will assess the requirements for each claim and determine the type and size of property that will be sufficient for the period. This policy does not operate a like for like guarantee and instead provides an adequate for the required period."

Habitable isn't defined within the policy terms and conditions. esure has said they assess whether a property is habitable on a case by case basis.

Mr A had an electrician attend his property about a week after the leak. They compiled a report which stated the following:

"There is water ingress in most of the kitchen appliances and faceplates. This is causing the main 100mA main switch RCD to trip and disconnect all outgoing circuits in the fuseboard, even bypassing the 30mA RCD's in the fuseboard. This would mean no lighting, power, heating etc in the property which makes it uninhabitable in my opinion..."

There is evidence of damp in the property and in my opinion, the above urgent attention to prevent risk of further damage to the property. I would recommend that the power is disconnected immediately to reduce such risk and in order for me to do the work, My recommendation is to vacate the property until such time as the works are complete."

A further electrician visit and report was compiled about a month later. This set out the following:

"The main RCD 100mA is being tripped is bypassing the internal RCD in the consumer unit. Which is leaving the whole house without power. Hence no hot water, heating, lighting or any cooking is possible. In my judgement this would make this property uninhabitable."

Our investigator has pointed out that both electrician's have said the house is uninhabitable, and this means the property can be lived in. However, I think this is an error on both reports and they meant to say the property was uninhabitable. Both electrician's have confirmed Mr A's property had no electricity to the whole property. This meant, no lighting, power or heating. Mr A had a new born baby. Based on what I've seen, I don't think the property was habitable until the power was partially restored to most of the property in late October 2023. So, I think Mr A and his family should have been placed in AA during this period. I've considered the compensation for not putting Mr A in AA below.

Repair costs

Mr A had complained that the quote he'd had for the remedial works was almost twice as much as the case settlement offer from esure. esure has acknowledged this and said it can be considered further but to do so they'd need the loss adjuster to visit the property.

Our investigator thought this was reasonable. In responding to our investigator's outcome, Mr A hasn't disputed the outcome on this part of the complaint, so I've assumed he accepts what our investigator has said. However, for the avoidance of doubt, I agree with our investigator. I think esure's offer to reassess the case settlement based on Mr A's quote against their scope of work is fair in the circumstances. So, I don't think esure need to do anything further on this point.

Doctor's costs

Mr A arranged for private GP appointments for both himself and his new born baby. Whilst I sympathise with Mr A, I agree with our investigator on this point. I don't think it's fair to hold esure liable for these costs due to the appointment waiting times at his GP. There are also other services such as accident and emergency or walk in clinics that would have been able to see them free of charge. So, I don't think it's fair for esure to cover these costs.

Food Costs

Mr A has said he spent £1,820.35 on food whilst in his property without access to his kitchen. He's asked for this to be refunded. esure has already offered Mr A a total of £2,250 for disturbance allowances. This is to cover things like additional food costs whilst not being able to use your kitchen. A disturbance allowance isn't expected to cover the full cost of food being bought. Had the escape of water not occurred, Mr A would have had a certain level of costs for food. I think the amount already offered by esure for disturbances is fair and reasonable in the circumstances. So, I won't be asking them to pay anything further.

I note that Mr A has asked for his excess to be refunded. I don't think this is fair and reasonable. The excess doesn't form part of any compensation considerations and is contractually payable to esure as part of the claim.

I appreciate that it must have been frustrating and stressful for Mr A to live in a property with no power whilst looking after a new born child. Although this is a distilled version of events, I've considered everything in the round and I think Mr A has been caused substantial distress, upset and worry which has caused serious disruption to his daily life over a sustained period of time. In line with our website guidelines, I intend to tell esure to pay Mr A further £750 compensation in the circumstances. For clarity, this is in addition to the £175 they've already offered him for the complaint delays."

I set out what I intended to direct esure to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to my provisional decision

Mr A confirmed he didn't agree with my provisional decision. He didn't think the compensation fully reflected the contractual nature of the breach. He made the following points:

- The electrical issues weren't fully resolved in October 2023. The problems persisted until the end of November/beginning of December 2023.
- Had AA been provided, it would have cost esure in the region of £8,667.
- Due to his financial vulnerability, he could not afford to self-fund AA. This left his family with a newborn in uninhabitable conditions with no viable alternatives.

esure didn't confirm either way whether they accepted the provisional decision or not but confirmed they had nothing further to add.

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've thought carefully about the responses to my provisional decision. Having done so, while

I appreciate it will come as a disappointment to Mr A, my conclusions remain the same. I'll explain why.

I was aware that the electrical issues weren't fully resolved in October 2023 and I didn't state that they were in my provisional decision. In my provisional decision I confirmed that the power was partially restored to the property in late October 2023. This would have allowed Mr A and his family to return to the property from AA. Whilst they wouldn't have had use of their kitchen, the rest of the property was inhabitable. So, I've only considered compensation for not being in AA until the power was partially restored in October 2023. I wouldn't expect esure to fund AA until the property was fully restored if just the use of the kitchen that was unavailable. The disturbance allowance that esure have already paid Mr A covers the additional cost of not having use of his kitchen from after October 2023.

Whilst I empathise with Mr A about the situation he and his family found themselves in, I still think the compensation I've awarded in my provisional decision was fair and reasonable in the circumstances. Mr A hasn't provided any additional information that I wasn't already aware of that would change my mind.

Whilst I accept that putting Mr A and his family in AA would likely have costs more than the compensation I've awarded, as a service, we don't award any money saved by an insurer to the consumer. We have a set approach for awarding compensation which is detailed on our website which I've followed.

My outcome remains the same as my provisional decision for the same reasons.

Putting things right

To put things right, esure should pay Mr A a total of £925 compensation for the trouble and upset caused.

My final decision

For the reasons I've explained above, I uphold this complaint and direct esure insurance Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 October 2025.

Anthony Mullins
Ombudsman