

The complaint

Miss M complains about the way Ageas Insurance Limited has dealt with a claim on her commercial property insurance policy.

What happened

Miss M has a flat which was let to tenants. She has insurance for the property, which is underwritten by Ageas. In July 2021, she made a claim on the policy. There had been a fire which caused damage to a number of flats in the building. Miss M's flat suffered extensive damage. Ageas accepted the claim and appointed a loss adjuster to deal it.

Repair work was needed on the communal areas of the building, which was arranged by the freeholder. The repairs for Miss M's flat couldn't be done until those repairs had been completed, and did not start until 2023. Ageas appointed a contractor to carry out the repairs to her flat in October 2023.

Miss M claimed for loss of rent payments, as she wasn't able to let the flat to tenants until the repairs had been done. Ageas didn't initially agree to pay for the loss of rent but, after a previous complaint, payments were made for this.

In May 2024, the loss adjuster reported that most of the work had been done but Miss M complained about works not being completed. In July 2024, Ageas issued a final response acknowledging there had been some poor claim handling and delays, and offered compensation of £300 for this.

In September 2024, the loss adjuster visited the property to review the remaining snagging works. Miss M meanwhile instructed her own surveyor to prepare a list of the outstanding items. The loss adjuster agreed to arrange some of the outstanding repairs but the contractor said it wasn't able to deal with this due to a breakdown in its relationship with Miss M. So Ageas paid a cash settlement to Miss M instead.

While there were a few remaining snagging works, the loss adjuster said these were very minor, and the flat could be lived in from November 2024.

Miss M didn't agree the property was habitable. She said the stopcock for the water supply wasn't accessible and the replacement windows that had been fitted didn't comply with safety regulations.

In November 2024, Ageas sent a further complaint response acknowledging some poor claim handling and delays, and offered a further compensation payment of £225.

Miss M remained unhappy and referred her complaint to this Service. Our investigator said the cash settlement was reasonable. She didn't think Ageas was responsible for the stopcock or that the flat wasn't habitable. But she said there had been some failings and asked Ageas to pay compensation of £275 in addition to the compensation already offered, together with £290 for the cost of the surveyor's report Miss M had obtained. She also said Ageas should pay the loss of rent claim for November 2024.

Ageas accepted the recommendations, but said the loss of rent had been paid for November.

Miss M provided further comments relating to the loss of rent payment for November 2024 and the pipework around the stopcock.

The investigator reviewed the further information and then recommended that Ageas:

- make a cash payment to fix the kitchen stopcock issue (subject to Miss M providing two quotes for this);
- pay the loss of rent for November 2024;
- pay for Miss M's surveyor report (as already agreed by Ageas); and
- in addition to the sum of £275 already agreed by Ageas, pay a further £400 compensation for the distress and inconvenience caused.

Miss M was broadly happy with the recommendations and said she would get the two estimates for the stopcock, but she still said it wasn't possible to let the property until this was resolved and thought there should be a payment for council tax.

Ageas agreed to pay the surveyor's report, loss of rent for November 2024 and the compensation of £275, but said it wasn't responsible for the issues with the stopcock, and Miss M wasn't entitled to payment for council tax.

The investigator considered the additional comments but didn't change their view. As no agreement has been reached, I need to make a decision.

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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed.

Ageas accepted the claim under the policy and has dealt with the repairs. The issues I need to determine mainly concern the problems with the water stopcock and the council tax. Miss M has also raised some concerns about replacement windows.

This matter has been ongoing for some time, and we have received extensive comments and documents from the parties. I won't comment in detail on every single point that has been raised and will focus on the key points that are relevant to the issues I need to determine. This is in line with our role, which is to provide an impartial review, quickly and with minimal formality.

Having considered everything carefully, I agree with the investigator's recommendations, for the following reasons:

- Miss M has raised some further issues, but as these were more recent, they are not part of this complaint and would need to be considered as a new complaint.
- The cash settlement paid in November 2024 was reasonable and nothing further is needed in relation to this.
- But things should have been completed in May 2024 and the delay until November caused Miss M unnecessary distress. It's fair to recognise this with some additional

compensation.

- Miss M raised some concerns relating to the ceiling heights, cavity wall insulation and plasterwork but the evidence doesn't confirm any issues with the ceiling heights or plasterwork, while the cavity wall insulation was the responsibility of the freeholder.
- The contractors put in new pipework which has made it extremely difficult to turn the stopcock.
- Ageas said the water company was responsible for the stopcock but that doesn't appear to be correct. The water company has said it doesn't enter premises to deal with internal stopcocks – it only deals with public areas. But it has also said '*This hand control needs to be refitted...*' due to the fitting of the pipes.
- Miss M says it's impossible to turn it and she's worried that if there was a burst pipe, it wouldn't be possible to turn the water off. She says she can't let the property to tenants in these circumstances, and it's unfair that the loss of rent is no longer being paid. I agree this needs to be resolved but the evidence indicates that, whilst it's difficult, it is possible to turn the stopcock on and off. So while it's reasonable to expect Ageas to put this right, I don't think this means it wasn't possible for Miss M to let the property in the meantime.
- Miss M says some of the windows have panels that can't be reached and cleaned from inside, which is a breach of regulations. She has referred to some guidance, but this seems to refer to houses not flats, and also says other methods of cleaning are acceptable. The loss adjuster has said the windows comply with relevant regulations. On balance, I'm not persuaded the windows need to be replaced.
- The policy includes cover for *either* loss of rent *or* any reasonable extra accommodation expenses, until the property is ready to be lived in. So Miss M was entitled to one or other of these, not both. She's had payments for loss of rent; she isn't entitled to the council tax as well.
- The loss adjuster did tell Miss M he would request payments for the council tax but Ageas never agreed to pay it and she was told straightaway when it was confirmed the council tax was not covered. She wasn't entitled to this under the policy and hasn't lost out in relation to this. It wouldn't be fair in these circumstances to require Ageas to pay this.
- But Miss M's expectations were raised that she'd receive something for the council tax and it was upsetting to find that wasn't the case.
- Looking at all the circumstances, I agree a further payment of £400 would be fair to reflect the distress and inconvenience caused to Miss M.

Ageas has agreed to pay the surveyor's report, loss of rent for November 2024 and the compensation of £275, but for completeness I'm including these, together with the compensation Ageas previously offered, in my directions.

Putting things right

To put things right, Ageas needs to make the following payments:

- a cash payment for the cost of fixing the kitchen stopcock issue (subject to Miss M providing two quotes for this);
- £900 for the loss of rent for November 2024;
- £290 for the cost of Miss M's surveyor's report;

- if they haven't already been paid, the sums of £300 and £225 Ageas offered in its two final response letters sent in 2024; and
- in addition to the sum of £275 already agreed by Ageas, a further £400 for distress and inconvenience, making a total of £675.

If Ageas has already made any of these payments, it may deduct the amounts already paid from the compensation.

My final decision

I uphold the complaint and direct Ageas Insurance Limited to pay the compensation set out above.

Ageas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Miss M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If Ageas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss M how much it's taken off. It should also give Miss M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 November 2025.

Peter Whiteley
Ombudsman