

The complaint

Mr and Mrs T have complained about the way Accredited Insurance (Europe) Ltd dealt with the claim they made after they suffered flooding at their property.

What happened

The history of this matter is long and involved but, to summarise, Mr and Mrs T own a stud property, which they insure through Accredited. The property includes their family home, rental property, various farm and outbuildings, grounds and a menage and borders a river.

In autumn 2023, the river flooded. So Mr and Mrs T made a claim on their policy. The claim has been partially settled but some items remain outstanding.

Mr and Mrs T haven't been happy about how Accredited dealt with a number of aspects of the claim. So they complained to Accredited about:

- the application of multiple policy excesses;
- Accredited's refusal to consider repairs to the menage and the river wall;
- Accredited's delay in logging their concerns as a complaint;
- their exclusion from discussions about settlement;
- the amount of the settlement for the roadways at the property;
- the time Mr T had had to spend attending to dehumidifiers installed by Accredited's contractor;
- that the claim for the lounge carpet in the rental property had been declined on the basis it was contents (for which Mr and Mrs T had no cover);
- Accredited's handling of a subject access request (SAR).

In response, Accredited said that information about the excesses and cover should have been provided to Mr and Mrs T by their broker and that the declining of the claims for the menage and the river wall was in line with the policy terms. They said it was usual practice, where a customer has a broker, for them to deal with that broker, rather than directly with the customer. But they apologised for any inconvenience Mr and Mrs T were caused by this and for the delay in starting their complaint process.

Mr and Mrs T didn't think Accredited's response resolved their complaint and brought it to the Financial Ombudsman Service. Our investigator reviewed the information provided by both parties and concluded Accredited needed to do more to resolve matters. He was satisfied they'd done enough to resolve the complaint about Mr T attending to the humidifiers as they'd paid him £6,500 for his time. And he said they didn't need to do any more to resolve the complaints about the settlement for driveways to two of the cottages on the property, or about excluding Mr and Mrs T from calls about the claim.

The investigator also explained that it was reasonable for Accredited to have declined cover for the menage, as it wasn't disclosed when the policy was purchased. He said that issue, and concerns about the policy excesses, were matters that would need to be raised by Mr

and Mrs T with their broker, as it was the broker's responsibility to make sure they understood what they were buying.

But the investigator did think repairs to the river wall were covered by the policy terms, that there was no evidence the road at the stud was underinsured (which would make a proportionate settlement appropriate), that they should cover the replacement of the carpet in the rental property and should have logged a complaint earlier. He said that, to resolve these issues, Accredited should include the costs of the carpet and the river wall in the settlement, pay an additional £5,896.45 for the roadway repairs, plus interest on this sum from the date they made final payment for the roadway until the date of payment. And they should pay Mr and Mrs T £500 compensation (inclusive of £200 they'd previously offered for delay in dealing with the SAR).

Accredited didn't agree with the investigator's view. So I've been asked to make a final 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.

Having done that, I'm upholding Mr and Mrs T's complaint for broadly the same reasons as our investigator recommended. I'll explain why.

Mr and Mrs T have asked that I review all their complaint points – including the ones accepted by both parties. While I accept this has been a very long and sometimes complex process, the Financial Ombudsman Service is a dispute resolution service. So I'll focus my decision on those parts of the complaint the parties haven't been able to resolve between themselves, rather than commenting in detail on what they've already agreed. The two main points of contention are the lounge carpet in the rental property, and the additional costs our investigator said Accredited should pay for the road to the stud.

Accredited object to covering the cost of the carpet because they say carpets are covered by contents insurance. But Mr and Mrs T had only buildings insurance for the rental property. Mr and Mrs T say it should be covered, because it was glued to the floor. I've thought about this.

I agree that carpets are more often than not covered by contents insurance. But whether that's reasonable depends on whether a carpet can be removed without damaging the building in some way. In this case, the carpet was glued to the floor. I think that means it would be difficult, or impossible, to remove without any impact to the underlying floor. So, while I accept it's not necessarily the norm, I think in the circumstances of this case it's reasonable to say the cost of replacing the carpet should be covered.

In respect of the additional roadway costs our investigator said Accredited should pay, I've seen Accredited agreed in their final response letter that this met the relevant policy definition and should be covered. But the offer reflected the roadway's "below average state" and excluded damage which pre-existed the flood. I've considered this. But I've seen nothing which persuades me that evidence of its pre-flood state was collected – or that Mr and Mrs T spent what they did to put the roadway into a better state than it was before the flood. So I agree with our investigator that Accredited should pay the additional amount for the work.

I've noted that, since the investigator sent the parties his view, Accredited have accepted they should cover repairs to the river wall and are considering Mr and Mrs T's evidence for that work. So I don't think it's appropriate for me to comment further on that part of the complaint. And I agree with our investigator that Accredited don't need to do any more than they already have to resolve the complaints about the time Mr T spent dealing with dehumidifiers, about the settlement for driveways to two of the cottages on their property or about excluding Mr and Mrs T from calls about the claim.

In relation to repairs to the menage, I agree that Accredited's conclusion that it wasn't covered was reasonable. The policy doesn't provide cover for a menage. Mr and Mrs T completed the application for the policy with their broker. I can see they were asked:

"Are you happy that Property Description of Farm Outbuildings is appropriate for 14 Stables, Foaling Boxes, Feed Room, Wash Room, Tack Room, Rug Room, Hay Barn and Office/Rest Area (which has heating, kitchen and bathroom)."

This doesn't include any reference to a menage. I'm satisfied from this that there was an opportunity to request cover, by answering "no" to this question and stating in what way the description wasn't accurate. I don't think it's reasonable to say, as Mr and Mrs T have done, that this wasn't an exhaustive list and shouldn't be viewed as such. I think the fact they were asked to confirm the extent of the property description means it's reasonable to conclude only what was included there was covered.

Our investigator said that any complaint Mr and Mrs T wanted to make about their understanding of this question, or about the details they knew about the policy excesses were issues that they'd need to raise with the broker. I agree with that assessment. I'd expect an insurer to set out the terms on which they were prepared to offer cover – which Accredited did. It's then for the customer to decide if those terms are suitable for their needs. If they're advised on the sale, I'd expect their adviser to go through the terms with them. But I can't say Accredited are responsible for any misunderstanding on the part of Mr and Mrs T about what was covered.

Finally, I've thought about Mr and Mrs T's concerns about how Accredited have dealt with their SAR. Accredited accept they haven't dealt with this as they should and offered Mr and Mrs T £200 compensation for this. It appears this may have been concluded within the last couple of weeks as Mr and Mrs T have sent us emails from Accredited confirming they were about to send the outstanding documentation.

But, as our investigator pointed out, we can only look at a complaint that a business has had the opportunity to consider and to provide its final response to. They have eight weeks to do that. So I'm not satisfied Accredited have had the chance to consider and respond to Mr and Mrs T's ongoing concerns about how they've handled the SAR. While they are free to make a new complaint to Accredited about this, which they may choose in due course to refer to our service and/or the Information Commissioner's Office, I don't think it's appropriate for me to address this issue within this complaint.

Putting things right

Accredited have already done what our investigator recommended in relation to the claim about the river wall. So I don't think I need to make a direction that they include those costs within the settlement. But, in addition to that, they need to include the claim to replace the carpet.

And they need to pay an additional £5,896.45 for the remainder of the works to the roadway. They should pay 8% simple interest on this amount, calculated from the day they accepted the roadway claim, until the date of settlement.

And they should pay Mr and Mrs T £500 (inclusive of the £200 previously offered) to compensate them for the inconvenience they caused by not including items in the claim and by delaying the start of their complaint process.

My final decision

For the reasons I've explained, I'm upholding Mr and Mrs T's complaint about Accredited Insurance (Europe) Limited and directing Accredited to:

- Include the costs of the carpet in the claim;
- Pay an additional £5,896.45 for the roadway repairs, together with 8% simple interest on that sum, calculated from the date they accepted the roadway claim until it is paid.

If Accredited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs T how much it's taken off. It should also give Mr and Mrs T a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate; and

- Pay Mr and Mrs T £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 9 January 2026.

Helen Stacey
Ombudsman