

The complaint

Mr J complained that the cash settlement Accredited Insurance (Europe) Ltd (“Accredited”) paid was insufficient to cover the required repairs following a claim he made about an escape of water, under his home buildings insurance policy.

References to Accredited include its agents and contractors.

What happened

Mr J said he contacted Accredited to make a claim following an escape of water from his en-suite bathroom. It accepted his claim and arranged for the area to be dried. A surveyor then scoped out the repair work that was required. The surveyor advised the claim could be cash settled or Accredited could arrange the repairs. Mr J said the surveyor told him Accredited would only carry out patch repairs, which he didn’t want. So, he agreed to a cash settlement.

Mr J said that further damage was identified by his contractor when carrying out the repairs. This information was submitted to Accredited, and it paid him a further settlement amount. Mr J said this doesn’t cover the full cost of the repairs. He said contractors in his part of the country are more expensive, which Accredited hadn’t considered.

Mr J described how using a portal to communicate with the business had been frustrating and had required a lot of effort. Because he wasn’t satisfied with Accredited’s handling of his claim he complained.

In its final complaint response Accredited told Mr J that it had cash settled his claim to include a payment for all the repairs identified. This included the additional work his contractor had highlighted. Accredited explained that under its policy terms it would either arrange the repairs using its contractor, or it would cash settle based on what its contractor would charge. Mr J chose to accept a cash settlement and Accredited confirmed this is what was provided.

Mr J didn’t think he’d been treated fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. She said that Accredited had settled the claim fairly in line with its policy terms. She didn’t think there was evidence of poor communication and so didn’t think Admiral needed do anymore.

Mr J didn’t accept our investigator’s findings and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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 so I’m not upholding Mr J’s complaint. I’m sorry to disappoint him but I’ll explain why I think my decision is fair.

Accredited accepted Mr J had a valid claim for an escape of water. So, I needn't consider this further. My focus is on whether it settled the claim fairly and communicated with him effectively.

Mr J's policy terms say:

"When settling your claim, if we decide that we can offer rebuilding work, repairs or replacements, we will ask you to choose one of the following options.

a. We will choose a contractor (our preferred contractor) and instruct them to carry out the rebuilding work, repairs or replacements.

b. We will pay you a cash settlement for the same amount it would have cost us to use our preferred contractor"

I think these terms are clearly written. I've seen the messages exchanged between Mr J and Accredited through its portal. A cash settlement was offered along with the message, *"..if not we can also look to instruct our contractors for reinstatement works"*. Mr J chose a cash settlement.

In light of Mr J's comments that the surveyor told him Accredited would only arrange a *"Patch repair"* our investigator asked it to comment further on this. It responded to say that its surveyors didn't believe they had referred to patch repairs. This is because Mr J's policy provides for full reinstatement of the insured damage so they didn't think this is something they would say.

I've thought about this point carefully. I don't doubt Mr J's recollection of what was discussed. But I have no evidence to support this. I think it's unlikely that Accredited's surveyor would be unaware that Accredited was required to reinstate his property to its pre-loss condition. This is different to a *"patch repair"*. This is made clear in Mr J's policy terms and conditions.

Based on this information I'm satisfied that Mr J was given the option of Accredited either arranging the repairs or paying a cash settlement. Mr J chose a cash settlement. His policy terms limit the settlement to the cost Accredited would pay for the repairs. So, I can't see that the business did anything wrong here. Mr J has mentioned higher contractor rates where he lives and said this hasn't been a consideration. I agree that it hasn't. But a cash settlement is based on the rates Accredited would pay. There was no requirement for it to consider the contractor rates in Mr J's local area.

I can see that Accredited's in-house surveyors reviewed the additional repairs Mr J's contractor identified. The records show that this was considered against the established costings Accredited would pay its contractor. An additional payment was then made to cover these repairs, along with the VAT element.

From what I've read I'm satisfied the business acted reasonably when it was made aware of the additional repairs Mr J highlighted. But I don't think it was required to pay more than its established contractor rates.

The portal records show that Mr J's comments and queries were responded to. From what I can see the responses were prompt and dealt with the points raised. In his submissions to our service Mr J referred to this method of communication as frustrating. From the portal records he asked for a call back when he became frustrated as the repairs were going to cost more than his cash settlement. Accredited's agent advised that he would need to speak to his insurer directly about this issue. A contact telephone number was provided for claim

related issues in Mr J's policy booklet. I think he was aware of this as he had made contact with Accredited previously. Based on what I've read I've not seen evidence that persuades me communication was of a poor standard.

Mr J raised concerns that this claim resulted in a significant increase in his renewal premium, which added further stress to the situation. He didn't think this was fair. I can see that this issue is being dealt with under a separate reference by our service. So, I won't comment on it here.

In summary I don't think Accredited treated Mr J unfairly when cash settling his claim for the amount it paid. I've not seen evidence that persuades me its standard of communication was poor. So, I can't fairly ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 December 2025.

Mike Waldron
Ombudsman