

The complaint

Mr G and Ms W complain about the settlement esure Insurance Limited (esure) has paid to settle a claim for contents they made under their home insurance policy. They also complain about the way their claim was handled.

This complaint has been brought by both Mr G and Ms W, but as Mr G has been leading in this complaint, and for ease, I've referred to him throughout.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

In December 2023 Mr G's property and contents were damaged by an escape of water and so he reported a claim to esure under his home insurance policy.

Mr G raised a complaint about the way his claim was being handled and on 23 April 2024 esure issued a final response to his complaint. It said there had been some delays but a number of enquiries needed to be completed. Mr G referred his complaint to this Service.

Whilst Mr G's complaint was with this Service, Mr G raised a further complaint about the way his claim had been handled since the previous final response had been issued. On 27 August 2024 esure issued Mr G with another final response. It said it was satisfied the revised settlement offer it had made recently was reasonable and its suppliers had handled Mr G's claim as it would expect.

Our investigator looked into things and said she thought esure should pay Mr G a total of £700 compensation due to the way it had handled his claim. She said she was unable to comment on the settlement for buildings or alternative accommodation as this hadn't yet been finalised. That complaint was resolved at this stage. This complaint is about the events which occurred following this.

A further complaint was raised to esure about the way it had handled Mr G's claim for contents and the settlement it had offered.

On 19 November 2024 esure issued Mr G with a final response to his complaint. It acknowledged there were unacceptable delays in its supplier visiting Mr G's property, and the receipt of the cash settlement offer. It said it had contacted Mr G during a period he had asked not to be contacted and apologised for this. It also acknowledged Mr G was still waiting for a response to the data subject access request (DSAR) he made in July 2024 which esure said was unacceptable. It offered to pay Mr G £350 compensation as an apology. Mr G referred his complaint to this Service.

Our investigator looked into things. He said he thought esure should pay Mr G an additional settlement of £314 toward his contents along with 8% per year simple interest. esure accepted our investigator's view but Mr G disagreed with it. He provided a detailed response but in summary he said

- The additional settlement of £314 doesn't take into consideration the broader failings such as delays in assessment and misleading substitutions.
- The Christmas tree stand esure had based its settlement on was unsafe, not like-for-like and unavailable.
- The antique chair was damaged by water absorption and veneer delamination, worsened by esure's failure to provide appropriate drying equipment.
- esure didn't suggest PAT testing appliances until he raised concerns about this, and an electrician had said this testing alone was inadequate.
- The £350 compensation didn't fairly reflect the impact of esure's claim handling.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Mr G's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no courtesy by this, but it simply reflects the informal nature of this Service. I assure Mr G and esure I've read and considered everything that's been provided.'

I also want to be clear about what I've considered as part of this decision. This decision will focus solely on Mr G's claim for contents, and the complaint points esure has addressed in its final response of 19 November 2024. Mr G has a separate complaint about the building insurance element of his claim including costs for alternative accommodation. Because this is being considered as a separate complaint, I won't be commenting on these issues as part of this decision.

Mr G also provided comments which I haven't specifically outlined above, such as financial losses he says he has suffered and the claim having an inflated value. Similarly, these issues will be addressed under the separate complaint and so I won't be commenting on them here. I've addressed the key points separately.

Settlement for contents

Mr G told this Service there were three items considered to be beyond economical repair which he didn't consider a fair settlement had been paid for. These were a cabinet, a Christmas tree stand and an antique chair.

Mr G has said he would consider an additional settlement of £314 reasonable to allow him to restore his cabinet and replace the contents. This has now been agreed by esure and so I don't think it's necessary for me to comment on this further. So, I've focussed my decision on the two outstanding items which are the Christmas tree stand and the antique chair.

The terms of Mr G's policy explain in the event of an accepted claim for contents, esure can choose to pay the cost of repairs, arrange for repairs itself, or give Mr G an equivalent replacement. It also says if it's not possible to repair and an equivalent replacement isn't available, esure will pay Mr G cash based on the full replacement cost.

esure has acknowledged the Christmas tree stand is beyond economical repair and has paid Mr G £169 based on a stand it considers to be an equivalent replacement. It also paid £42 for the cleaning of the Christmas tree itself. Mr G has said he doesn't

consider the stand esure has based its settlement on to be an equivalent, and it was unavailable, so esure should pay the cost for a replacement tree with a stand.

I've looked at the stand esure has based its settlement on and having done so, I think it was reasonable for it to conclude it was an equivalent replacement to the one which was damaged. The stand is from the same manufacturer as the one Mr G had previously. The specifications of the stand show it would be suitable for the Christmas tree Mr G owns, and whilst it appeared to be out of stock in March 2024, it is currently in stock and available for purchase. I acknowledge Mr G has said he considers the stand to be dangerous, and whilst I don't intend to downplay Mr G's concerns, I've not seen persuasive evidence this is the case. So, in the circumstances I think the settlement esure has paid toward the replacement Christmas tree stand is reasonable.

esure has acknowledged Mr G's antique chair is beyond economical repair. Mr G has said he found similar chairs for sale with a value of £655, and it appears all parties have accepted this is a reasonable cost for a replacement. Mr G has said esure paid a settlement of £327.50 which he doesn't consider to be reasonable. esure has said this is as a gesture of goodwill rather than because it agrees there is water damage to the chair.

esure arranged for its supplier to review the antique chair. I can see they have said there were some water markings to the structure, but the delaminated seat was mainly age-related damage. And unless the seat was submerged for a long period, they would not expect the veneer to lift to such an extent. Mr G has provided a report from his own restoration company, and whilst they acknowledge the veneer is badly delaminated, they've not passed any comment around the cause of this damage. They've also noted one of the spindles showed signs of previous damage which Mr G accepts wasn't caused by the claimed for incident.

Based on the evidence available, including both reports mentioned above and photographs of the chair, I think it was reasonable for esure to limit its settlement to 50% of the value of the item. The evidence appears to show pre-existing damage to the item, and I don't think it's been demonstrated the delamination was due to the incident or high humidity as Mr G has suggested. The evidence suggests that it's possible the escape of water caused some minor damage, and so I think esure's settlement offer is reasonable in the circumstances.

PAT testing of contents

Mr G has said PAT testing of his electrical contents is inadequate as water ingress can create latent fire risks. He has provided an email from an electrician who has said the leading UK electrical charity for electrical safety recommends the manufacturers of the items should be contacted to check how much inspection and testing is necessary.

esure has said the escape of water was across the ground floor and so the impact would be minimal and only the feet of the appliances would have had water across them. It has said most modern appliances are now built to withstand certain levels of moisture, especially within a kitchen/utility environment.

Given the circumstances of Mr G's claim, I think it was reasonable for esure to limit its testing of the electrical appliances to PAT testing to ensure they were safe to use. This is what I would expect an insurer to carry out in a claim such as this. The escape of water was at the base of the appliances rather than running down them.

And I've not seen persuasive evidence they have been damaged to such an extent they are beyond economical repair or unsafe to use.

If Mr G has evidence the electrical appliances have been damaged by the escape of water then he can provide evidence of this to esure to consider.

Claim handling

esure has acknowledged it has made some errors in the way it has handled Mr G's claim for contents. It has also acknowledged it contacted Mr G when he asked for it not to and there were delays in responding to Mr G's DSAR request. It has offered to pay Mr G £350 compensation and so I've considered whether this is reasonable to acknowledge the impact to Mr G.

I don't intend to list or comment on every error esure has made, particularly given it has taken responsibility for these. However, I have highlighted some errors I think esure made during the claim process which I don't think it has taken into consideration.

Following the visit to his property, esure offered Mr G a settlement for the restoration of his items but Mr G asked for a breakdown of how this had been calculated. esure has explained it provides a settlement based on an overall cost, but it was able to provide Mr G with a breakdown. Whilst I don't think it's unreasonable for esure to offer a settlement based on an overall cost, and it was able to provide a breakdown of this eventually, I think this took longer than it should have done to provide. I don't think this was a particularly unusual request from Mr G and I think this information should have been available much sooner than it was.

Following the initial visit to Mr G's property, esure said it needed to carry out a further visit to validate some of Mr G's contents such as the wooden blinds, Christmas tree stand and antique chair. esure has said this was because it was unable to identify any visible damage to the items during the initial visit or review of photographs taken. It has later paid a settlement toward some of these items such as the wooden blinds and stand. I don't think it was reasonable for esure to require a further visit to Mr G's property to validate these items. I think if the items had been reviewed appropriately during the initial visit, it would have negated the need for a further visit. I think it would have been inconvenient for Mr G to have to make himself available for a further visit from esure, whilst also meaning a settlement for these items was delayed.

I acknowledge Mr G was unhappy with the way esure spoke to him during his claim for contents, for example, when it asked him why items weren't made available to it during the initial visit. Whilst I acknowledge how Mr G felt, having reviewed the communication between esure and Mr G, I don't think esure communicated to Mr G in a way I would consider inappropriate. I think its intention was to gather information rather than to make accusations or cause offence.

Taking all of this into consideration, along with the errors esure has taken responsibility for, I don't think £350 compensation appropriately acknowledges the impact to Mr G. His claim has taken much longer than I would expect to be progressed, and I can see Mr G has spent considerable time speaking with esure to resolve this. Alongside this he was contacted during a period he had specifically asked not to be contacted so he could take a short break from dealing with the claim. He's also had the added inconvenience of having to make himself available for a further visit to his property which I think could have been avoided.

All of this has caused him considerable distress and unnecessary inconvenience beyond what I would expect from a contents claim of this nature. Therefore, I think esure should pay Mr G a further £150 compensation to acknowledge the impact the errors I hold it responsible for has had on Mr G.

esure said it had nothing further to add. Mr G provided a detailed response to the provisional decision but in summary he said:

- The Christmas tree stand isn't available from the supplier and isn't an equivalent replacement given the wheels make it unsafe for use in his circumstances.
- esure's failure to dry the property caused secondary deterioration to the antique chair and the payment of 50% of the chair is arbitrary.
- An independent electrician said PAT testing alone was insufficient and the failure to act promptly endangered the occupants of his property.
- The exposure to mould, unsafe conditions and delays go beyond typical inconvenience. Both he and Ms W continue to suffer from anxiety and depression and the £500 compensation is inadequate.

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've reached the same outcome to the one I did previously for much the same reasons as set out in the provisional decision.

I acknowledge the Christmas tree stand is no longer in stock as it was when the provisional decision was issued. However, the terms of Mr G's policy explain if an equivalent replacement isn't available, esure will pay cash based on the full replacement cost. So it's liability is limited to the replacement cost of the stand, regardless of whether this is currently available to purchase. And whilst I acknowledge Mr G has concerns about the safety of the stand esure has based its settlement on, I'm satisfied it was reasonable for it to conclude the stand it has based the settlement on is an equivalent replacement to the one which was damaged.

Mr G has said esure's failure to dry the property has caused secondary deterioration to the antique chair and its settlement of 50% is arbitrary. As explained in the provisional decision, both esure and Mr G arranged for the chair to be inspected, and neither report confirms the damage to the chair has been caused by humidity or a failure to dry the property. So, I'm not persuaded it's been shown the damage to the chair, such as the delamination, was caused by the incident, or an error by esure. Given the evidence supports that the chair has some water markings most likely caused by the claimed for event, but also that there was pre-existing damage, I think esure's settlement of 50% of the value of the chair represents a fair settlement in all of the circumstances.

In the provisional decision I acknowledged the email from the electrician and its contents. However, for the reasons set out in the provisional decision I was persuaded it was reasonable for esure to limit its testing to PAT testing of the appliances to ensure they were safe to use. This is what I would expect from an insurer in these circumstances. And the delays in arranging PAT testing would be considered as claim handling errors which have been considered as part of this decision.

Mr G doesn't think the total compensation of £500 is reasonable to acknowledge the distress and inconvenience he and Ms W have been caused. I should reiterate that this decision is solely about the way Mr G's contents claim was handled, and the specific points esure addressed in its final response of 19 November 2024. When deciding reasonable compensation I've taken into consideration what Mr G has said about both his and Ms W's health and the impact the errors have had on them. And having done so I think a total compensation award of £500 is reasonable to acknowledge the distress and inconvenience caused.

I know this will be disappointing for Mr G, but for the reasons I've explained I think this is a fair outcome in all the circumstances.

My final decision

For the reasons I've outlined above I uphold Mr G and Ms W's complaint about esure Insurance Limited. I require it to:

- Pay Mr G and Ms W an additional settlement of £314 for their cabinet and the contents of it.
- *Pay 8% per year simple interest on this amount calculated from the date esure paid the initial settlement toward the cabinet to the date it pays the additional amount due.
- Pay Mr G and Ms W a total of £500 compensation. It can deduct any compensation it has already paid as part of this complaint from this amount.

*If esure insurance limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G and Ms W how much it's taken off. It should also give them a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Ms W to accept or reject my decision before 29 December 2025.

Andrew Clarke
Ombudsman