

## The complaint

Mrs R complains about the way Accredited Insurance (Europe) Ltd ('Accredited') handled an escape of water claim she made on her home insurance policy and says their contractors caused further damage to her property.

## What happened

Mrs R held a home insurance policy underwritten by Accredited and contacted them to report an escape of water claim in December 2022. Accredited accepted the claim and began works, but Mrs R said they caused avoidable delays, and their contractors caused further damage to her property. Mrs R raised a complaint about these issues and Accredited's handling of the claim, which this Service previously looked at. The previous complaint awarded £1,500 compensation to Mrs R and said Accredited needed to put right the outstanding issues.

Following that complaint Mrs R says she approached several builders to obtain quotes, but this was met with difficulty. The one quote she was able to obtain was for around £81,000 but wasn't broken down and instead was made on a global basis. Accredited said this was excessive and asked Mrs R for two additional quotes, which Mrs R said she couldn't get.

Mrs R raised a further complaint about how Accredited were dealing with the claim. Accredited awarded a further £400 compensation for delays but said they couldn't pay Mrs R's builder's quote as there was no breakdown; and because they had previously raised a cash settlement, they needed to ensure there was no overlap. Mrs R remained unhappy with Accredited's response to her complaint – so, she brought it to this Service.

Mrs R said it wasn't workable to obtain detailed quotes with breakdowns as contractors had refused to provide quotes to put right insurer-caused damage. She maintained the global quote she had provided reflected the full scope of works needed to return her home to its pre-loss condition. She also said Accredited hadn't taken responsibility for additional damage caused by their contractors, including problems with her chimney, bathrooms, walls, flooring and carpets. Mrs R said the £400 compensation offer was inadequate given the many years of disruption and impact on her and her children's wellbeing.

I issued a provisional decision of the complaint, and I said the following:

*"I want to start by acknowledging that I've summarised Mrs R's complaint in a lot less detail than she's presented it. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.*

*I also need to explain what period I will be considering as part of my decision. I appreciate Mrs R feels her previous complaint hasn't been resolved; but I'm unable to make a further finding on a complaint this Service has previously considered. That complaint was for the period between the time the claim started and June 2024. So,*

*as this Service has already considered events during this period, I won't be revisiting those points again or looking at anything that happened before this. I wanted to make this clear as I appreciate Mrs R has said the compensation offered within this complaint is too low to recognise the overall impact. But the previous complaint also raised compensation So, my decision will focus on what's happened between June 2024 and when Accredited issued their final response in December 2024.*

*The crux of this complaint is that Mrs R says the quality of repairs has been substandard and her property has been further damaged. In the last complaint, Accredited was told to either instruct repairers to put things right or offer a cash settlement based on quotes retrieved by Mrs R. However, Mrs R doesn't want to allow Accredited's contractors to attend, and she's only been able to retrieve one contractor's quote for the works, and it's on a global basis and not broken down.*

*As things currently stand, I acknowledge that the relationship between Mrs R and Accredited has broken-down during completion of the snagging works. I think this is understandable given the amount of time that has elapsed in trying to get these works concluded. So, in line with my duty under DISP 3.6.1; to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case, I think the fairest way to resolve this complaint is for me to outline a pragmatic solution.*

*While I understand the difficulties Mrs R has had in obtaining alternative quotes, I accept that it was reasonable for Accredited to ask for a clearer breakdown of the global quote she provided. This prevents there being overlap and additional payments, which I generally find to be fair. But while I appreciate Accredited feel the quote Mrs R has provided is excessive, I've not seen anything produced by them to evidence this; such as a schedule of rates, a surveyor's priced scope, or an alternative contractor's quote. In the absence of such evidence, I don't think Accredited had justified their position.*

*Additionally, where a customer faces difficulties in obtaining quotes, especially where the works involve rectifying an insurer's own contractors' poor workmanship, I don't think it's fair for the insurer to make progress of the claim contingent on their customer obtaining further quotes. ICOBS 8.1.1R requires insurers to handle claims promptly and fairly. What's more, the FCA's Consumer Duty places an obligation on insurers to avoid causing foreseeable harm to their customers. In my view of this complaint, Accredited has fallen short here. The obligation to progress the claim rests with Accredited as the insurer; so I don't think it was fair for them to discharge this by requiring Mrs R to do work they are better placed to undertake.*

### **What was the impact**

*Home repair claims, by the very nature, are disruptive. An escape of water claim, like the one Mrs R raised to, involves drying, building works and the presence of contractors to put things right - all of which or inconvenient and stressful to some degree. So, a normal level of disruption is unfortunately unavoidable and isn't something we'd expect an insurer to compensate a customer for. Therefore, my role is to consider whether there was additional distress and inconvenience; over and above what I would consider to be normal.*

*I think Mrs R has been inconvenienced and suffered from distress and inconvenience during the life of this claim. I haven't detailed everything here, as both parties are aware of the history, but I've considered everything Mrs R has said about the impact to her. Having considered Mrs R's testimony, I'm satisfied a total compensation*

*award of £400 is fair and reasonable in the circumstances and reflects the impact Accredited's actions had on her for the period I can consider. And I also think this is in line with the previous complaint in which she was paid £1,500 compensation for the earlier part of the claim.*

*I appreciate this may not be the level of compensation Mrs R had hoped for, and Mrs R has said it doesn't reflect the full disruption she's faced. But the earlier parts of the claim have already been looked at by this Service. So, I am only considering the period between June 2024 and December 2024 as part of this complaint. And I consider the compensation award I have outlined to be in line with the level of compensation appropriate to these issues, which I'm satisfied this produces a fair and reasonable outcome in this particular complaint."*

I concluded that I intended to uphold the complaint in part and to direct Accredited to appoint a surveyor to produce a priced scope of works as the basis to finalise the claim, whether by arranging repairs or via a cash settlement and should include:

- a) Any outstanding works resulting from the escape of water;
- b) Rectification of poor remedial works and snagging left by Accredited's contractors.

I said Accredited should then instruct these works to be completed in order to finalise the claim and pay £400 compensation. I invited both parties to respond to my provisional decision.

Mrs R didn't think my provisional findings would properly resolve the complaint. While she accepted my findings covered June to December 2024, she said new and material evidence had been discovered due to a SAR request in June 2024, in respect of her chimney damage being misdiagnosed and previously dismissed as wear and tear. She said this should be considered within the current complaint.

Mrs R also highlighted her procedural and regulatory concerns and referred to ICOBS 8.1.1R and DISP 1.4.1R and said Accredited had failed to handle her claim properly and had relied on contractors with potential conflicts of interest. She maintained that the cumulative delays and repeated investigations had caused significant disruption and financial strain to her.

While Mrs R broadly accepted the idea of an independent review of the required works, she objected to further site visits. She said she obtained a second contractor's quote of circa £98,000 and wanted this to be accepted as a fair basis for settlement. Mrs R questioned the practicality and impartiality of Accredited's proposal to appoint a surveyor who was based a considerable distance from her. Finally, Mrs R also felt that my recommended award of £400 compensation was too low, given the ongoing distress and cumulative impact of Accredited's handling of the claim. She said the earlier award of £1,500 was for separate issues and said a higher sum would better reflect the extended disruption to our home, business, and well-being.

Accredited also responded and said they had considered the two quotes Mrs R had now provided, but they didn't feel these were comparable as a basis for settlement. They also provided their own costed scope of work that was based on Mrs R's second contractor's quote. Within Accredited's costed scope of work, they arrived at a total cost to them of around £30,000. They also highlighted that this was based on their own network rates, so it won't be the same price to a consumer directly. But they did outline that the typical difference to a consumer directly was a 20–30% increase.

On that basis, Accredited submitted that the cost to put right the outstanding issues for a consumer would be around £40,000 to £50,000, and therefore they said that the second quote Mrs R had provided was significantly over-costed. Accredited also highlighted that the second quote did not provide costings per line or item, so the basis of comparison was difficult. Additionally, they felt specific items were increased, such as the front garden turf replacement being priced at £10,000 and the entire kitchen needing to be replaced.

I reviewed everything again, along with the second quote and the further submissions from Accredited and Mrs R. Having done so, I sent an email to both parties and explained that I was conscious that there was a significant difference in the quotes which could lead to a situation where Mrs R was over indemnified for the loss. I previously explained that I had not seen any comparable evidence from Accredited to explain why the second quote Mrs R obtained was an unreasonable way to conclude the claim. But given this had now changed, I felt the fairest way to conclude this complaint was to maintain my original provisional findings, in which I said:

*"Accredited should appoint a surveyor to produce a priced scope of works in order to compare this to the quote Mrs R has provided. For the avoidance of doubt, this should include:*

- a) Any outstanding works resulting from the escape of water;*
  - b) Rectification of poor remedial works and snagging left by Accredited's contractors.*
- The priced schedule should be used as the basis to finalise the claim."*

I outlined to both parties that I felt Accredited's proposal to appoint a chartered surveyor to carry out a costed scope of works was fair in the circumstances. And I said that the priced scope of works could then be used as the basis to settle the claim. Either for instructing contractors or for cash settlement. I also said that in the event of a cash settlement, this would need to also factor in sufficient alternative accommodation provision should the property be deemed to be uninhabitable whilst the works were completed.

Additionally, I explained that because Accredited should have provided a costed scope of works much earlier, instead of asking Mrs R to obtain her own quotes, I felt that much of the ongoing inconvenience could have been avoided. As such, I proposed to increase the award of compensation I previously made to £750. I asked both parties to provide an updated response to my new findings.

Accredited replied and said they agreed with the updated provisional findings. But Mrs R maintained that the proposal was unfair, she provided a detailed reply which said:

- Accredited repeatedly undervalued the reinstatement costs over three years.
- The second quote she obtained was the only credible assessment because it was prepared by qualified professionals.
- Accredited's internal estimate was inconsistent with real world contractor rates.
- The difference between network contractor rates and consumer rates is typically around 300% and not 20-30% as Accredited claim.
- The costs Accredited had highlighted as being increased (turf and kitchen replacement) were necessary due to Accredited damaging them.
- Accredited should not be able to appoint an independent surveyor who she considered to be unqualified and too far away geographically.
- Accredited and their representatives should not be allowed into her home anymore and she would prefer a personal inspection by the Ombudsman.
- The increased £750 compensation did not reflect the disruption, stress, and the time lost over three years.

- Her renewal premiums had increased which she felt was directly linked to Accredited's inflated and disputed repair costs.

As both parties have now had the opportunity to provide a response to my provisional findings, I will set out my final decision below.

### **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, while I have carefully considered the submissions from both Mrs R and Accredited, I maintain that my provisional findings are a fair and reasonable way to resolve this complaint.

I want to start by making it clear from the outset what I am able to look at as part of my decision of this complaint. I've carefully considered Mrs R's submissions around the damage to her property's chimney. She says this was previously declined as wear and tear, but she obtained new evidence about this due to a subject access request in June 2024. Therefore, she says as this information wasn't available during the earlier complaint, it should be considered as part of this case.

While I accept Mrs R's point that certain information wasn't available during their complaint, my role is confined to review and events between June 2024 and December 2024 that Accredited has responded to. If Mrs R wishes to raise the newly discovered evidence about her chimney as a separate complaint, she is free to do so. This is because Accredited must first be given the opportunity to respond to that aspect directly, and I cannot make a finding about a complaint point that an insurer has not yet had the chance to consider and attempt to resolve.

I've also thought about the regulatory duties Mrs R refers to including ICOBS 8.1.1R and DISP. My provisional findings already reflected the need for Accredited to handle the claim promptly and fairly, and I specifically referred to these regulatory duties when I set out what I talked to the complaint. For the avoidance of doubt, I've had these duties in mind when considering this complaint and I'm satisfied my decision achieves that outcome.

Turning to the crux of the complaint, Mrs R objects to another site visit and has provided a second contractor quote which totals £98,123 + VAT. Mrs R says this quote should form the basis of the reinstatement costs and should be paid to her to conclude the complaint. Accredited however says that the second quote is not comparable as a basis for settlement as it includes additional works and is not representative of the true cost of reinstatement.

I sincerely appreciate Mrs R's concerns over this, and I am naturally sympathetic as to the length of time this claim has been ongoing. But I am in agreement that the quotes appear to be over and above what it would likely cost to reinstatement works required to put things right. In order for me to direct Accredited to use the second quote as the basis of settlement, I would want to see that the quote clearly separates reinstatement works from rectification works or provides itemised costs for each element. The second quote does not meet that threshold. And while Mrs R has said the typical difference between insurer "network" contractors and real-world contractors is around 300% and not 30%, I haven't seen any evidence of this that supports that conclusion.

I fully understand why Mrs R feels strongly that Accredited's internal estimate reflects an attempt to minimise liability. And I understand how, in the context of a long running claim, this has contributed to her sense of mistrust. However, I have not seen evidence that

Accredited have acted dishonestly or manipulated any figures. Insurer's "network rates" do often differ from consumer facing rates significantly. But I don't think the gap here can be reliably resolved without an independent itemised assessment. As such, I think the fairest way to conclude this complaint is for Accredited to appoint a RICS qualified surveyor to review and price the scope of works. For the avoidance of doubt, this work should be completed within 21 days of my final decision, ensuring the report is itemised and shared with Mrs R.

I also appreciate that Mrs R has raised concerns over Accredited's proposed choice of RICS qualified surveyor and says she's aware of their involvement in another case. But I don't find it would be fair or reasonable for me to treat allegations raised outside of this complaint as evidence that the surveyor will not be able to carry out their function in this case. I'm ultimately satisfied that appointing a RICS regulated surveyor who is independent of Accredited's network meets the requirement of fairness to conclude this complaint.

Finally in respect of compensation, I've carefully considered Mrs R's further comments about the cumulative distress this claim has caused her. As I set out in my provisional findings, I think Mrs R has been inconvenienced and suffered from distress and inconvenience during the life of this claim. As I set out previously, I think an increased award of £750 for the period I can consider of June to December 2024 is fair and consistent with awards I make for avoidable delay and poor communication. This has been increased due to Accredited only providing a costed scope of works very late in the process. While I sympathise with the impact this claim has already had on Mrs R overall, and while Mrs R has set out that the earlier compensation award was in respect of additional distress and inconvenience she had experienced, I cannot make a further award for a period that has already been considered by this Service.

Finally, in respect of Mrs R's comments around increased premium renewals, this isn't a complaint point that formed part of the complaint Accredited responded to, so I am unable to make a finding on that as part of my decision here.

### **Putting things right**

- Within 21 days of the date of acceptance of this final decision, Accredited should instruct a suitable RICS qualified surveyor to prepare a priced, itemised schedule of works needed to finalise the claim.
- That schedule of works must include all outstanding reinstatement from the original escape of water claim as well as rectification of poor remedial works and snagging left by Accredited's contractors. Once the reinstatement cost is established, Accredited must either arrange for the works or pay Mrs R a cash settlement.
- In the event of a cash settlement, this would need to also factor in sufficient alternative accommodation provision should the property be deemed to be uninhabitable whilst the works are completed.
- Accredited must also pay Mrs R £750 compensation for the avoidable distress and inconvenience they caused during the period between June to December 2024.

### **My final decision**

For reasons I have set out, my final decision is that I uphold this complaint in part. I direct Accredited Insurance (Europe) Ltd to resolve the complaint in the way I have set out in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or

reject my decision before 2 January 2026.

Stephen Howard  
**Ombudsman**