

The complaint

Mr G was unhappy Accredited Insurance (Europe) Ltd (“AI”) didn’t pay the costs he incurred appointing a representative during his home insurance claim.

What happened

Following fire damage at his property, Mr G made a claim. After appointing a loss adjuster to review and validate the claim, AI accepted the claim and offered a cash settlement.

Unhappy with the cash settlement offer, Mr G said he appointed a representative to manage his interests on the claim. Mr G said the representative’s involvement in the claim led to a better outcome for him, so he thinks the representative’s fees should be paid by AI, due to its poor handling of the claim.

AI explained that the policy doesn’t cover such costs, except where they are approved in advance and necessary for the completion of repair works.

Mr G disagreed and wanted these costs paid in full.

Our investigator decided not to uphold the complaint. He said “I’m not persuaded that the appointment of Mr G’s loss assessor / representative was necessarily required beyond personal choice”, so he thought it was reasonable AI didn’t pay these costs as they aren’t covered by the policy. Mr G disagreed, so the case has been referred to an ombudsman.

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.

When AI informed Mr G it wouldn’t cover the professional fees he’d incurred (for his representative), it explained the policy terms to him.

It said section 16 of the policy stated:

“Building fees and clearing debris

...we don’t cover:

- (a) Any fees charged to help you prepare your claim; and*
- (b) Any fees which we have not agreed in advance or do not consider necessary to reinstate buildings”.*

Therefore, I think it’s clear that the policy doesn’t cover any fees used in preparing the claim or that aren’t agreed in advance. However, Mr G has argued the appointment of his representative was integral to him getting a fair outcome on his claim and he wouldn’t have got this outcome unless he’d employed a representative.

Mr G has pointed out he only commissioned a representative after he received an inadequate settlement offer. He said the representative was required to drive forward almost

every aspect of the claim. Mr G said he notified AI's loss adjuster that he had commissioned a representative the day after the inadequate offer was provided.

AI said its Mr G's right to appoint representatives, but these costs aren't covered by the policy, and their appointment wasn't necessary for the claim to be settled and the home repaired.

I think for Mr G to successfully argue for the recovery of costs he's incurred in relation to his representative, he'd need to show their assignment, and interaction was key in getting positive resolution to a specific element in the claim and they hadn't been brought in to help Mr G prepare for the claim. Unfortunately, I'm not persuaded that this is the case.

The claim was raised on 24th September 2023. The part of the claim which was disputed was the settlement relating to the drying of the property. Mr G's representative said AI provided its cash settlement offer on 10 October 2023. Mr G's representative said AI's loss adjuster was informed the next day (11 October 2023) that he had been appointed by Mr G.

However, I can see a schedule was sent to Mr G's representative from a drying contractor who quoted for the drying part of the works on 29 September 2023. Therefore, it appears to me that Mr G's representative was acting as a loss assessor from the very start of the claim. So, I think the representative was acting as a loss assessor and helping Mr G prepare for the claim. Mr G is entitled to appoint a loss assessor as his representative, but as the terms set out AI doesn't cover fees to help Mr G prepare his claim. For the avoidance of doubt, I can't consider any costs incurred directly by Mr G's representative either, as he's not a contracted party under this insurance contract.

Therefore, as Mr G had commissioned his representative, who seems to have been acting as a loss assessor, I'm not persuaded Mr G has incurred additional costs due to AI's poor handling of the claim. I think he made that choice himself to appoint the representative from the outset.

My final decision

My final decision is that I don't uphold this complaint. I don't require Accredited Insurance (Europe) Ltd to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 February 2026.

Pete Averill
Ombudsman