

## The complaint

Mr and Mrs S have complained about how Accredited Insurance (Europe) Ltd dealt with their claim after their property was flooded.

## What happened

Mr and Mrs S's property was flooded in early 2025. So they submitted a property insurance claim to Accredited. Accredited began assessing the damage and paid for Mr and Mrs S to move to temporary accommodation as their home was uninhabitable. I understand repairs still aren't completed.

When their agent surveyed the property, they identified that the property's damp proof course needed renewing. And they said damp to the rear of the property was caused by the poor condition of the render, not the flood, and the kitchen floor would need to be levelled. They said this work wasn't related to the flood and would need to be completed before they could repair the flood damage.

The surveyor gave Mr and Mrs S three options:

- have the non-flood related work done and then have Accredited's contractors complete repairs necessitated by the flood;
- receive a cash settlement of £5,483.86 + VAT for the rooms affected by the damp and have Accredited's contractors complete repairs to the other rooms; or
- receive a cash settlement of £9,669.32 + VAT for all reinstatement works.

Mr and Mrs S weren't happy with these options and said Accredited hadn't provided them with a breakdown of the works and the costs. And they said they couldn't get repairs done for what they were being offered, but felt they were being bullied to accept.

Mr and Mrs S were also unhappy about how Accredited had dealt with providing them with alternative accommodation. They said that Accredited had failed to take account of the fact they have dogs and cats when providing options, hadn't provided prompt reimbursement when they'd had to pay for accommodation and had left it late in the day to deal with extensions or moves, which caused them stress. And they questioned why Accredited had said some accommodation cost more than they were liable to pay, when their policy provides £100,000 for this.

Mr and Mrs S complained to Accredited about these issues. In their responses, Accredited reiterated the three options available and said they needed Mr and Mrs S to confirm how they wanted to progress the claim. They offered to arrange further discussion with the surveyor if Mr and Mrs S felt that would help them. In respect of alternative accommodation, Accredited accepted their communications could have been clearer and their customer service fell short in this area. They offered Mr and Mrs S £200 compensation.

Mr and Mrs S weren't satisfied this resolved their complaints and brought them to the Financial Ombudsman Service. Our investigator reviewed the information provided by both parties and concluded Accredited should pay Mr and Mrs S a total of £400 compensation.

She said it was usual for insurers not to share the costings of repairs as this is confidential. But a cash settlement would reflect what it would cost them to have repairs completed. And she noted Mr and Mrs S's policy provided alternative accommodation for the policyholders' family – the definition of which doesn't include pets. So she couldn't say it was unreasonable for Accredited not to have accommodated them. But she thought their lack of customer service and what Mr and Mrs S felt to be bullying meant Accredited should pay the higher sum she recommended.

Accredited agreed with the investigator's view. Mr and Mrs S didn't. So the matter's been passed to me for 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 S's complaint. But I don't think Accredited need to do more than our investigator recommended – and which they've agreed to – to resolve it. I'll explain why. I'll do so, focusing on the points and evidence I consider material to my decision. So if I don't mention something in particular, it's not because I haven't thought about it. Rather, it doesn't change the outcome of the complaint. I'm satisfied I don't need to comment on every point to be able to fulfil my statutory remit.

I'm sorry that Mr and Mrs S's home was flooded – and that the way Accredited have dealt with the claim has added to that distress. My role here is to decide whether, overall, they've dealt with the claim fairly and reasonably. The starting point for that is the policy terms.

### Repairs

The policy says:

*"We cover your buildings up to the sum insured shown in your schedule against loss or damage directly caused by the following covers."*

Flood is one of the covered causes. That means Accredited need to repair all the damage caused by the flood.

When the surveyor visited the property to scope the work, they concluded that some of the damage was due to the poor condition of the render, not the flood. And they said the damp proof course needed replacing. They said that Mr and Mrs S would need to pay for this work to be done.

I think that's fair, based on the surveyor's conclusion that the damp was due to the poor condition of the render, rather than flood damage. To say Accredited should pay for this to be repaired would require them to go beyond the cover provided by the policy and be "betterment" – essentially an improvement to the property. I can't reasonably say they should do that.

Similarly, the surveyor concluded that the damp proof course needed renewing before the flood. That's a maintenance issue, not a repair to flood damage. Mr and Mrs S have said a damp proof course in good repair wouldn't have made any difference because of the level the flood waters reached. I understand why they'd say that. But I don't think that's the issue here. The point is that Accredited need to make what's referred to as an "*effective and lasting repair*". I think it's reasonable to say they can't do that if there's no effective damp

proof course in place. It follows that it's reasonable to ask Mr and Mrs S to deal with this before the flood damage is repaired.

I appreciate Mr and Mrs S have said that they've been advised that there was no way Accredited could have determined whether the damp at the rear of the property was caused by the flood or something else. I'm not an expert. And, while I've no reason to doubt what Mr and Mrs S have said, they've not supplied any report from an expert to challenge the conclusions drawn by Accredited's surveyor, either to Accredited, or to our service. I'd expect Accredited to consider any such report if they received one. But, in the absence of a report, I think it was reasonable for them to rely on their surveyor's conclusions.

### Settlement value

As well as being unhappy about being asked to complete work themselves, Mr and Mrs S have complained about the settlement offers that have been made to them, which I've outlined above. They say these aren't sufficient to have the works completed. I've thought about this.

I don't think it's accurate to say Mr and Mrs S are being forced into accepting a cash settlement, as the first option says that Accredited will have their contractor complete the flood repairs if Mr and Mrs S have the damp proof course, damp area and floor levelling (which Mr and Mrs S accept is needed) completed first. Only the second two options involve a cash settlement.

Under the heading "*Settling claims under buildings covers*" the policy says:

*"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."*

Generally, we say it's fair that an insurer whose customer chooses a cash settlement doesn't need to pay more than it would cost them to make the repairs. That's what has happened here. If Mr and Mrs S don't the cash settlement is enough to allow them to deal with repairs themselves, they can still opt to have them completed by Accredited's contractors – subject to having the pre-repair issues dealt with.

### Alternative accommodation

Mr and Mrs S's policy says:

*"We will pay up to £100,000 for the reasonable and necessary costs for alternative accommodation for you and your family if you cannot stay in your home because your home has become unfit for living in following loss or damage that is insured by this section.*

*How much we will pay for alternative accommodation will depend on your family's needs and you must agree the costs with us before you pay.*

...

*We don't cover*

*a. ...*

*b. costs for alternative accommodation for any of your pets.”*

Mr and Mrs S say Accredited didn't take into account that they needed to accommodate not only themselves, but their dogs (which they kept with them). And they say Accredited should pay for their costs in travelling to and from their property to care for their cats, which remained in their home.

I think it's clear from the wording above that Mr and Mrs S's policy has no provision for alternative accommodation for their pets. They've provided a more recent policy document which they say shows this is now included. But, when our investigator queried this with Accredited, they said this was the wording for their Gold policy – not the Silver policy Mr and Mrs S have. So I don't think it's fair to say this term should now be applied.

I've studied the notes of contact between Mr and Mrs S and Accredited. I've found no mention of their cats in relation to alternative accommodation or at all. So I don't think it's reasonable to say Accredited should have factored the cats into any accommodation searches. Nor should they pay for any additional costs Mr and Mrs S incurred as a result of caring for them.

I can see Mr and Mrs S told Accredited they would like alternative accommodation to which they could take their dogs. I don't think that's an unreasonable request. But, ultimately, the availability of such accommodation in the area Mr and Mrs S wanted to be wasn't something either party could control. I can see that Accredited searched as needed and provided details to Mr and Mrs S for them to make a choice. And they considered options sourced by Mr and Mrs S themselves. I don't think that's unreasonable.

Mr and Mrs S are unhappy that Accredited wouldn't pay for accommodation they wanted when their policy provides £100,000 cover for this. I understand why this might not be clear to them. But I think the term above makes clear that Accredited won't pay without limit but will look at the needs of the “family” as defined in the policy.

I don't think it's unreasonable for Accredited to have tried to manage costs. Not doing so would result in increased claim costs, which would in turn be factored into setting premium costs - not only for Mr and Mrs S, but for all customers. I can see that Accredited explained to Mr and Mrs S that they'd pay reasonable rent for the area. And that they wanted Mr and Mrs S to move into a property with a six month lease, rather than more costly short term rentals.

I accept that Mr and Mrs S's lives were disrupted by being away from their home. But that was the result of the flood. Aside from communication issues (which I'll deal with below) I don't think Accredited dealt unfairly with the issue of alternative accommodation.

#### Communication and customer service issues

Accredited have acknowledged their customer service fell short of what it should have been and recognised this by offering Mr and Mrs S £200 compensation. And they later agreed with our investigator this should be increased to £400.

I agree communication wasn't what it should have been. The contact notes clearly show Mr and Mrs S were frustrated by getting different information from different representatives of Accredited. And there were opportunities to provide them with clear information earlier in the process – for example, by explaining the criteria for alternative accommodation and the factors Accredited used to decide to ask Mr and Mrs S to move into a longer term leased property.

I've noted in particular that Mr and Mrs S have said they felt bullied and pressured to accept cash settlements. I've seen that Accredited use an automated system to request decisions and information to allow the claim to proceed. And the system chases those up when no response is received. I can understand how receiving these automated messages would have felt like pressure. Taking these factors into account, I agree the level of compensation Accredited should pay to Mr and Mrs S should be increased to £400.

But I'm not satisfied they've dealt unreasonably with the other aspects of the claim. And so I don't think they need to any more than pay £400 to resolve Mr and Mrs S's complaint.

### **My final decision**

For the reasons I've explained, I'm upholding Mr and Mrs S's complaint and directing Accredited Insurance (Europe) Ltd to pay them £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 25 February 2026.

Helen Stacey  
**Ombudsman**