

The complaint

Mrs F's complained about how AA Underwriting Insurance Company Limited ("AA") have dealt with the claim she made after there was an escape of water in her home.

What happened

In autumn 2024, there was a leak from a pipe in Mrs F's bathroom. Her husband isolated and stopped the leak. But the water that escaped caused water damage to the kitchen below. So, around six weeks later, Mrs F made a claim.

AA's surveyor visited the property to assess the damage and complete a scope of work. Following this, AA offered Mrs F the choice of whether to have their contractors complete repairs, or take a cash settlement. They advised there was a wait of around 8-10 weeks if she wanted their contractors to do the work.

Mrs F and her husband queried some parts of the scope, which was reviewed. Additional works were added and AA confirmed the revised cash settlement amount. Mrs F opted to have the work completed by AA's contractors.

Repair work started. This included removing the kitchen ceiling, which exposed the underside of the bathroom floorboards and the joists. Mrs F was concerned that the whole floor was damaged and needed replacing. And the area needed treating to prevent mould growth. AA's assessment was that only some of the bathroom floorboards needed replacing. But they agreed the boards and joist would be treated. The ceiling was replaced and replastered approximately two weeks after works started. But repairs haven't been completed and the parties haven't been able to agree on the scope of repair works.

Mrs F complained to AA that only part of the floor in the bathroom was to be replaced. And she was unhappy about the mould treatment applied to the boards and joists. She also complained that the contractors AA had appointed had too far to travel to their property, meaning that they spent only limited time onsite and they'd not been familiar with the scope of work when they arrived – nor had they followed it. She said she wanted a surveyor to come and inspect the damage – which would mean undoing the repair work to the ceiling.

In their response, AA said that, when their surveyor had visited to assess the repairs needed, the leak had stopped and the floorboards were dry. They said becoming wet doesn't always mean boards need replacing. But they had identified a section of the floor that did and they'd agreed to replace those boards. They had reviewed the photos provided by Mrs F and didn't think they showed greater damage, nor was it necessary to re-inspect to assess that issue. In respect of mould, AA said that, as the floor was dry, there would be no further issue once the mould was cleaned and the fungicide applied.

But AA did agree that their contractors should have reviewed the scope thoroughly before coming to the property. And they apologised that the contractors hadn't replaced the flooring which had been scoped, which they put down to a miscommunication. They acknowledged this required the floor to be lifted and the bath and toilet to be removed and refitted, which

they said they would add to the scope and would send Mrs F a revised cash settlement figure. To recognise the poor service, AA sent Mrs F compensation of £300.

Mrs F didn't think this resolved her complaint and brought it to our service. Our investigator reviewed the information provided by both parties and concluded AA didn't need to do any more to resolve matters. She was satisfied that AA had dealt with the claim based on the assessment of their surveyor as to what repair work was needed. And she thought that the £300 compensation they'd paid was reasonable to recognise the miscommunications and loss of expectation Mrs F had suffered.

Mrs F didn't agree with our investigator's view. So I've been asked to make 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 not upholding Mrs F's complaint. I'll explain why, focusing on the points and evidence I consider material to my decision. So if I don't mention a particular point, it's not because I haven't thought about it. Rather, it doesn't change the outcome of the complaint.

The crux of this complaint is a disagreement between the parties as to how much work is needed to repair the damage caused by the escape of water. So I understand why Mrs F complained to AA – and why she then brought her complaint to our service. But – as our investigator explained – it's not our role to assess claims or to direct how an insurer should settle them. Rather, I have to decide whether AA's assessment of the work that was needed was fair and reasonable, based on the available evidence.

I'm not an expert. So I've considered what information is available from specialists.

As I'd expect, AA sent a surveyor to inspect and scope the damage and decide whether to offer to repair it, or cash settle the claim. I've noted they shared that scope with Mrs F. She asked a number of questions, following which the scope was amended. And it was amended again when work started, and the underside of the floorboards and the joists were exposed.

I'm satisfied from this that AA did keep the scope of the claim under review and considered whether new items should be included as the claim progressed. This included reviewing with their surveyor whether all the bathroom floor needed completely replacing. The surveyor concluded this wasn't necessary.

Mrs F has said this decision can't be relied upon, because the surveyor didn't return to inspect the exposed boards. But the surveyor was able to consider photos of the area. And they had information from the contractors who were onsite and saw the damage in person. It's not uncommon for claims to be assessed without an in-person inspection. I can't say it was unreasonable for AA to rely on their surveyor's conclusion simply because he didn't visit Mrs F's property to reach it.

And, while I'm aware Mrs F is adamant that neither the repairs to the floors nor the fungicidal treatment were enough to fully repair the damage caused by the escape of water, I have no evidence which I can reasonably say contradicts the AA's surveyor's view of what needed to be done.

Mrs F has provided AI responses to questions she asked about whether the floor had been properly prepared for mould treatment. But those are responses to specific questions – not an objective assessment of the work that was done. I acknowledge Mrs F was concerned about mould. But I can see AA said that, as the area was dry when the surveyor inspected, the treatment should prevent mould growing in future. In the absence of documentary evidence to persuade me otherwise, I can't say that's not right.

I've noted that Mrs F wants the damage to be inspected by a different surveyor. She is entitled to appoint her own surveyor to do that. But, as I've explained, I'm not persuaded that the AA's surveyor didn't assess the claim properly. So I don't think it's fair for me to say they should pay for a second surveyor to review the damage and what work is needed to repair it. But I do agree with our investigator that, if Mrs F pursues that course of action, I'd expect AA to consider that surveyor's report.

I've noted that AA made Mrs F a cash settlement offer of £1,265.76 in July 2025 for the scoped works that remain outstanding. In her comments on the investigator's view, Mrs F has said she's doubtful this will be enough to complete the work, and wouldn't be enough to allow a surveyor to inspect, as this would require the new ceiling to be removed.

I can see Mrs F hasn't yet had any quotes for the work herself. So, at this point, I can't say the offer AA has made (to which they have confirmed they would add VAT if Mrs F appointed a VAT registered tradesperson) is unreasonable. Mrs F can ask any contractor she appoints to quote for whatever work she thinks is necessary. But, in the absence of any evidence that AA's scoping of the work is insufficient, I wouldn't expect their offer to cover more work than they have scoped.

Finally, I've considered the compensation AA have paid Mrs F. I agree with our investigator that £300 is a reasonable amount to reflect the miscommunication between AA's contractors and Mrs F. While Mrs F says she wasn't seeking compensation when she complained, she's said that the amount paid doesn't reflect the fact that what has happened has caused her and her family stress for more than a year.

I've thought about this, but I'm not persuaded that I should increase the amount of compensation. While I appreciate it's distressing that Mrs F's home still isn't restored, I can only award compensation where I'm satisfied that distress has been caused by AA not doing what it should have done to progress the claim. Here, they attempted to complete the scoped work and offered a cash settlement for Mrs F to have it completed after she expressed concern about the contractors. That is how I'd expect them to deal with matters. While I understand Mrs F's reluctance to progress things in this way, I can't say AA are responsible for that delay. So, for the reasons, I've set out, I don't think they need to do any more than they already have to resolve Mrs F's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mrs F's complaint about AA Underwriting Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 15 May 2026.

Helen Stacey
Ombudsman