

complaint

Mr L has complained about the cash settlement offered by Legal & General Insurance Limited (L&G) following a claim under his home insurance policy and about the way the claim has been handled.

background

Mr L made a claim to L&G after a leak from a soil pipe in an attic bathroom caused damage to his property in September 2016. He said there was damage to the bathroom, ceilings, walls and carpets in one bedroom as well as the hall, staircase and landing on the floor below.

L&G accepted the claim and appointed contractors to dry the property and carry out repairs. After some work had been carried out, Mr L approached L&G for a cash settlement so that he could arrange the remainder of the works. He said he wasn't happy with the service and standard of workmanship from L&G's contractor. L&G asked him to provide his own quote for it to review.

Mr L complained that he was having difficulty getting a response from L&G regarding the cash settlement. He continued with some work at his own expense. He said he'd had to move out with his family while the works were carried out as he only had one useable bedroom, there was drying equipment throughout the house and he was concerned that his children's health might have been affected by the damp, dust and toilet waste.

In March 2017 L&G offered just over £2,200 for the outstanding work, including £200 compensation for the poor service on its part. It asked for information about where Mr L and his family had stayed so that it could consider those costs. Mr L thought L&G should pay considerably more.

L&G said that Mr L could accept its cash settlement offer or its contractors could complete the works.

Mr L brought a complaint to this service.

my provisional findings

I issued a provisional decision explaining why I was minded to uphold Mr L's complaint in part. An extract from my provisional decision is set out below:

"I understand Mr L's desire to bring this long-running dispute to an end and have his home reinstated. I need to decide whether the cash settlement offered by L&G is fair. I'll consider the main elements of the settlement in turn.

In doing so, I'll bear in mind that under Mr L's policy L&G is entitled to choose whether to "repair, reinstate or replace the lost, damaged or stolen property or pay the cost of reinstatement through a repair or replacement network nominated by your insurer". So, in principle, given that Mr L has chosen a cash settlement rather than have L&G's contractor finish the works, L&G isn't obliged to pay the amount of a quote Mr L has obtained even if it does end up costing Mr L more.

I'm only looking at how L&G handled matters up to the point of its final response letter dated 10 March 2017. I appreciate that since then Mr L has provided more information to L&G in support of his claim.

hall, stairs and landing

L&G didn't accept Mr L's estimate for this area because it said it included work that wasn't related to his claim, including painting the woodwork.

Mr L says the skirting board was damaged by L&G's contractor when it put up scaffolding. Mr L has provided a photo showing damage to the woodwork on the stairs. I've looked at the photo and think the damage is consistent with Mr L's account of how it happened. On balance I think it's more likely than not that L&G's contractor damaged the woodwork and so to treat Mr L fairly, L&G should increase its offer to include what it would pay for the woodwork to be painted.

bedroom decoration

L&G says its contractor finished this room and Mr L's contractor agreed that the works had been carried out to a professional standard apart from the paint work to the woodwork. L&G said it wouldn't pay to redo the woodwork as this hadn't been painted by its contractor. I understand that Mr L accepts this.

bedroom carpet

It's not in dispute that the carpet was damaged by waste from the toilet above. L&G refused to pay Mr L's claim of £500 for a new carpet because it wanted its specialist to assess the carpet for a clean or replacement. Mr L says he replaced it because he was told he could claim for a new carpet but unfortunately he doesn't have the receipt. He says he'd accept £250 for this part of his claim. Since at the very least L&G would have to have paid for the carpet to be cleaned, I think it should pay Mr L this unless it can show me it would have been able to get the carpet cleaned for less by its contractor.

attic bathroom

I understand Mr L wanted to change the layout of his bathroom. So L&G offered £912.78 to complete the claim-related works to this bathroom. It also said its contractor could finish the claim-related works if Mr L preferred or it would consider a quote from Mr L's contractor based on an itemised schedule of the claim-related works. Mr L has since provided a quote of about £1,700 for the claim-related works other than decoration and flooring but it's not broken down in respect of the itemised works L&G thought were necessary. I'm not persuaded that Mr L has shown L&G's offer was unreasonable, especially since it's only liable to pay him what it would have had to pay a contractor and it probably gets more favourable rates than Mr L would.

deep clean

Mr L thought L&G should pay £300 towards the cost of a deep clean. L&G didn't dispute that this work was necessary but said it could arrange for its own cleaning contractor to do this or it wanted to see an itemised estimate from Mr L's contractor. I don't think this was unreasonable. Mr L has since said he paid £120 for this. But the invoice he's provided to us is for £110 and refers to cleaning the ground floor and basement as well as the first floor. Since I'm not sure that the ground floor and basement needed cleaning as a result of the claim or L&G's contractor's works, I don't think it would be fair to require L&G to pay this.

alternative accommodation

Mr L's policy covers the cost of him and his family staying elsewhere if his home isn't fit to live in. L&G asked him for information about these costs and to explain why they had to move out. Mr L says his children stayed with family and he remained at home to oversee the works. Since it's not clear that Mr L has incurred any additional accommodation costs, I don't think L&G has been unreasonable in refusing to pay the sum of £500 claimed by Mr L in respect of this.

compensation

Mr L accepted L&G's offer of £200 compensation. I don't doubt that this claim has been very stressful for him. I've looked at the extent to which L&G made it more stressful than it otherwise would have been. I think that was primarily down to poor communication on L&G's part. Taking into account the effect this had on Mr L, I think the sum of £200 is fair in the circumstances to compensate him for this."

responses to my provisional decision

In summary Mr L said:

- The work started in mid-October and should only have taken up to four weeks but dragged on into December.
- He only opted for a cash settlement because of concern about the quality of the works.
- The quotes he'd provided were reasonable and he could never match the rates of L&G's approved contractors.
- L&G didn't respond to his emails from March 2017, so he had to repair the attic himself and couldn't afford to carry out the redecoration.
- Nobody should have to put up with such poor service.

L&G said it was happy to cover the cost of painting the woodwork in the hall, stairs and landing. It said Mr L's contractor was going to charge £120 for this, so it would offer that.

It also agreed to pay £250 towards the bedroom carpet.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Bearing in mind that Mr L's property had to be dried before the works could start and that drying would usually take a few weeks, I don't think there was a delay of more than a few weeks on L&G's part in starting work. I have taken this into account in considering whether L&G's offer of compensation was fair and reasonable.

I know that Mr L is very dissatisfied with the quality of L&G's repairs but based on the information I've seen, I'm not persuaded that the quality of the workmanship was poor. I don't doubt that the quotes obtained by Mr L were reasonable but since L&G was prepared to have its own contractor finish the works, I don't think it would be fair to require it to pay the additional cost to Mr L of using his own contractor to do so.

On 10 March 2017 L&G issued its final response to Mr L's complaint. I can understand his frustration that L&G didn't respond to his emails after that point but I think that's

understandable since it had told Mr L that it had made its final decision on his complaint and also told him of his right to refer his complaint to this service.

I appreciate that Mr L feels strongly about the way L&G has handled his claim but it's not my role to police or regulate L&G. I have simply looked at whether the way it's treated Mr L is fair and reasonable and to the extent that it isn't, what L&G should do to put that right.

I can't see that Mr L has provided a separate quote for the cost of painting the woodwork in the hall, stairs and landing. So I'm not sure that the sum of £120 would be sufficient for this. If Mr L doesn't want to accept this sum, L&G should settle this on the basis of what its contractor would have charged it to carry out these works (assuming that neither L&G nor Mr L want L&G's contractor to carry out the works) or £120 whichever is the higher.

my final decision

I uphold this complaint in part and require Legal & General Insurance Limited to increase its cash settlement offer to include painting the woodwork on the hall, stairs and landing based on the higher of £120 or what L&G's contractor would have charged it to carry out these works.

Legal & General Insurance Limited should also pay Mr L £250 towards the bedroom carpet.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 September 2018.

Elizabeth Grant
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