

complaint

Mr W complained about how Ageas Insurance Limited handled and settled his home insurance claim.

The history of the claim and complaint is quite detailed so I've only outlined a summary of what's happened below. I've concentrated on what I consider to be the main points. I haven't commented on every point or argument Mr W or Ageas has made.

At different times throughout the claim and complaint Mrs W has been dealing with matters. To avoid confusion, except where otherwise stated, I've just referred to Mr W.

background

Mr W claimed for damage caused to his home by a leak from behind a toilet. Ageas appointed various representatives to handle the claim and repairs on its behalf¹. From an early stage Mr W made Ageas aware of various health problems and the difficulty of living in the house with the damage.

Ageas inspected the damage and confirmed the claim was valid. It told Mr W he'd need to fix the leak as it wasn't covered by the policy, but it confirmed it would cover the cost of repairing the damage caused by the water escaping through the leak. The leak was fixed on a temporary basis initially, and Ageas installed a temporary floor, sink and toilet. Ageas agreed that the house couldn't be lived in while the damage was being repaired and it agreed to cover the cost of alternative accommodation so that Mr W and his family could live elsewhere during this time.

Ageas felt the leak wasn't just from the toilet as originally thought and it said further investigation was necessary in order to ascertain the full extent of the damage and the repairs needed. But it said that in order to do that some contents needed to be put into storage. Mr W told Ageas that he didn't want anything removed from the house so he would box them up and store them. He also felt Ageas hadn't fully inspected areas that were accessible, and he wanted someone with specialist knowledge of the joists to inspect them.

For the alternative accommodation part of the claim, Ageas found various potential places for Mr W to live but for a variety of reasons (eg location, access, pets) Mr W felt none were suitable. The idea of whether a caravan would be suitable was discussed, but no agreement between Ageas and Mr W could be reached on the appropriate type of caravan. Mr W told Ageas that he couldn't make a decision on suitable alternative places to live until he knew the extent of the damage and repairs.

As there was effectively an impasse over the repairs and the alternative accommodation, Ageas decided to settle the claim on a cash basis. That meant it would pay Mr W the amount needed to get the repairs done and for alternative accommodation. Ageas's offer was:

- £5,632.72 for the repairs (based on what had been inspected up to that point)
- £2,700 for alternative accommodation
- £1,596.44 for replacement flooring

¹ As different representatives were involved, to avoid confusion with naming them all I will simply refer to them collectively as 'Ageas'

Mr W told Ageas that he couldn't consider the settlement until the full extent of the damage had been determined. Ageas said that in order to move the claim forward it would arrange a further visit to confirm if the proposed works were accurate. It nevertheless paid Mr W the £2,700 that had been offered for the alternative accommodation.

Whilst this was happening Mr W discovered that waste water was leaking from the temporary toilet. He felt this was caused by the temporary works carried out by Ageas's contractors.

A further inspection took place and Ageas amended the scope of the repairs needed. But a dispute then arose about how the inspection was done. And Mr W still questioned the proposed works. Further discussions also took place about alternative accommodation – again including a caravan on site.

Ageas eventually made a final cash offer to Mr W to settle the claim:

- £10,244 for the repairs (based on an estimate provided by Mr W's contractor)
- £3,600 for somewhere for Mr W to live during the repairs (based on a six month rental at £600 per month) – this was in addition to the £2,700 already paid
- £840 for kennel and cattery costs
- £1,596.44 for the flooring

Ageas recognised there had been delays getting to this point; but it felt this was due to Mr W's reluctance to accept its position and decisions. It felt the claim could have been settled about six months earlier, which in turn would have prevented the problems Mr W suffered while continuing to live in the house.

Ageas later confirmed to Mr W that no additional drying or sanitisation was needed. It added that Mr W's contractor would contact it if additional works were discovered during the repair. And it would pay the reasonable cost of packing the contents which need to be removed and moving them to other parts of the house to allow the repairs.

my provisional findings

I issued a provisional decision which outlined why I felt the complaint should be partially upheld. I focussed on what I considered to be the three main issues of Mr W's complaint – the claim settlement for the damage caused, the claim settlement for alternative accommodation, and Ageas's overall handling of the claim.

My provisional decision was along the following lines:

the policy

- This policy covered damage caused by water leaking from a toilet; it gave Ageas the right to choose how to settle a claim – it could either repair the damage, replace the damaged item, rebuild the damaged item, or make a cash payment.
- The policy also covered the costs Mr W might incur living elsewhere (ie alternative accommodation) if his home couldn't be lived in because damage covered by the policy made the home uninhabitable; this cover included the cost of rehousing any pets.

'damage' claim

- As with any insurance claim, it was for Mr W in the first instance to show that damage was caused to his property by an insured event (eg water leaking from a toilet) and how much it costs to put right. That meant it was for Mr W to get reports, quotes etc in order to ascertain the extent of the damage. It was only once Mr W overcame that hurdle that Ageas became liable – up to that point it didn't have to do anything.
- However, for this type of claim Ageas often appointed experts – such as a loss adjuster or approved contractors – to inspect the damage, work out what caused it and work out what needs to be done to fix it.
- Once it was established that Ageas was liable for the claim it didn't automatically follow that Ageas became responsible for repairing any damage. As per the terms of the policy, it was entitled to pay Mr W whatever the repairs would cost. Ageas would nevertheless often arrange the repairs on Mr W's behalf through its approved repair network.
- I thought Ageas treated Mr W fairly by deciding to settle the claim on a cash basis. This was for two main reasons:
 - there was reference to Mr W not trusting Ageas's repairers and to wanting his own contractor to do the work; and
 - Ageas's attempts to do the repairs were in the main held up because Mr W disputed what work was needed.
- Mr W told us his distrust of Ageas's representatives was in part due to what he felt was them not acting independently. He referred, for example, to a situation where a surveyor turned up to assess/review the proposed works and agreeing with what Mr W had said; but the repairer then turned up – who the surveyor seemed to know – and the surveyor changed his opinion. The loss adjuster then later told Mr W the surveyor agreed with the original proposed works.
- I felt it was reasonable that Mr W should be able to have the repairs done by a contractor of his choice if that's what he wanted. The policy made an allowance for that – it said Ageas might offer to repair damage through one of its suppliers, but if Mr W preferred to use his own supplier he could. But this option usually resulted in a cash settlement being made – because Ageas wouldn't take ownership of a repair carried out by a contractor not on its approved list. Ageas would agree the work needed and the costs, and it would pay for the repair – either to the repairer directly or to Mr W.
- Mr W didn't agree with Ageas's recommendations because local professionals he'd sought advice from (including the local council) expressed concerns if there were structural alterations and said the proposed works were unnecessarily complicated. Mr W was also concerned that a full inspection of the damage hadn't been done.
- I felt it was reasonable that Mr W be able to dispute the extent of the repairs needed. However, it ultimately remained his responsibility to establish his claim and I hadn't seen anything that Mr W provided to Ageas which showed that the initial works it proposed were materially insufficient based on the inspections that had been carried out.
- It was true that Ageas didn't initially fully inspect the extent of the damage as it felt further access was needed to do a fuller inspection. But as far as I could tell, Ageas never

disputed that the initial inspection and schedule of works was incomplete or that further works might be needed. But its attempts to inspect this damage were in the main frustrated by a dispute over whether or not contents needed to be moved in order for further access to be gained.

- A further investigation was eventually carried out, although Mr W disputed how thorough it was as the person only used their mobile phone. I was aware that the person who was due to attend (with proper equipment) had called in sick that day. Mr W arranged for someone else to do the inspection, which he said made successful and appropriate repairs possible. It seemed to me that this inspection was necessary and that it led to satisfactory repairs and a conclusion of the claim. So I felt it was fair in this case for Ageas reimburse Mr W for the cost of the inspection (which I understood to be £180) if it hadn't done so already.
- Ageas's final offer to settle the repair part of the claim was £10,244. Ageas said this was based on an estimate provided by Mr W's contractor for the repair work needed. It also said if the contractor found further work that was needed it would consider the matter further. I hadn't seen anything which showed that the amount offered was insufficient to repair the damage caused by the leak from the toilet. So I was satisfied based on what I'd seen that it was fair.

'alternative accommodation' claim

- Ageas didn't think the original damage caused by the leak rendered the property uninhabitable. I understood this was because Mr W continued to have the use of bathroom, toilet and kitchen facilities. Mr W nevertheless made Ageas aware of how inconvenient it was to continue using the downstairs toilet, so Ageas arranged for a temporary floor and toilet to be fitted in the upstairs bathroom. This was fitted about two weeks after the claim was lodged. A temporary basin was fitted about seven weeks later. Based on what I had seen, I felt Ageas's actions were fair.
- Ageas recognised that alternative accommodation would be needed once the repairs started. So it started the process of finding somewhere for Mr W to live. Various options were found and discussed, but they were rejected as being unsuitable. Mr W also recognised that alternative accommodation would be needed, but he didn't feel able to make a decision on this until he knew the extent of the repair work needed.
- After a few months Mr W's broker contacted Ageas to say that Mr W was unhappy with the options offered. Ageas said it could cash settle this part of the claim rather than continue looking for somewhere for Mr W to live. The payment of £2,700 was later paid to Mr W.
- At a later point Ageas was told that Mrs W had been in hospital as the mould and spores had made her breathing conditions worse. Ageas said it couldn't move the claim forward until a last visit had taken place to assess the damage. It nevertheless told Mr W to stay in a hotel/B&B for the weekend and it would reassess the situation on the Monday. On the Monday Ageas told Mr W to stay in the hotel/B&B for an extra two days. Ageas offered to pay for this.
- Some discussions then took place regarding a caravan being used on site as all the other suggestions had been rejected. But disputes then arose about the type and size of caravan – by this time Mr W felt the only realistic solution was a 6-berth static caravan

with air conditioning in the front garden as touring caravan was unsuitable; but Ageas wasn't prepared to pay for this as it felt the cost was too high given the length of time Mr W needed to be out of the home and the other accommodation that had been offered.

- Ultimately Ageas felt it wasn't going to be able to find somewhere that Mr W would deem acceptable so it made a further payment to him for £3,600. This was based on houses in the area costing about £600 per month to rent (with the minimum rental usually being six months). Mr W could then use the money as he saw best. Ageas also paid £840 to cover the costs if Mr W needed to temporarily put his pets in a kennel/cattery.
- So the total amount paid to Mr W for alternative accommodation was £7,140.
- There were two main issues that I needed to consider – whether it was fair for Ageas to settle this part of the claim by making cash payments directly to Mr W; and whether the cash payment was fair.
- Ageas wasn't required under the terms of the policy *to find* alternative accommodation for Mr W – its liability was simply *to pay for* it. So technically, it was for Mr W to find somewhere suitable to live, and Ageas would pay for it (subject to any policy limitations).
- However, Ageas tried to help Mr W find alternative accommodation and various offers were made back and forth but ultimately no agreement was reached. Mr W had understandable reasons why the various accommodation offers were unsuitable, and it was understandable for him to wait until the full extent of repairs was known before making a decision (as something might be acceptable for two weeks but might not be for two months). It's very rare though that an alternative property is going to be perfect and tick all the boxes – there are usually compromises that need to be made. There were also occasions where I thought Mr W appeared to change his mind about what was acceptable eg in a letter to Ageas he said a touring caravan wasn't viable, but a few weeks later he told us that a touring caravan was acceptable.
- Overall, I felt Ageas acted fairly and reasonably in initially making Mr W's home more liveable. And I felt it generally acted fairly and reasonably in trying to find alternative accommodation for when the repairs were being done. But as agreement couldn't be reached, I thought it was reasonable – and in line with the cover provided by the policy – for Ageas to have settled this part of the claim by paying Mr W directly.
- Mr W told us the settlement offer didn't recognise the need for a deposit to be paid for a rental property or removal costs into and out of the property. I didn't think that made a difference because no policy would cover the deposit, and if Mr W temporarily moved into a furnished property it was unlikely that any contents would need to be removed from his property.
- In any event, as the repair work had been completed I didn't think it mattered now how Ageas calculated its settlement or what type of property it based it on. That was because in terms of what a fair settlement is, I saw it coming down to a comparison between what Mr W received from Ageas in settlement of this part of the claim and what he actually spent on alternative accommodation. If he spent less than £7,140 on alternative accommodation (including for the nights Ageas authorised that he spend in a hotel/B&B), then Ageas's settlement would be fair as he would have received more from Ageas than what he actually spent. If on the other hand Mr W spent more than £7,140 there might be

grounds for me to conclude that the offer was unfair. But that would depend on what the money was spent on and how long for.

- I didn't know how much Mr W spent on alternative accommodation. I knew he had incurred some costs as there was reference to around £1,600 being spent at one point prior to repairs starting. But I hadn't seen anything showing that the total amount he'd spent was above £7,140. So I couldn't conclude that Ageas's offer was unfair.

claim handling/delays

- On average I expected a claim of this nature to be settled in two to three months – that should allow enough time for the damage to be inspected and repairs costed, for drying out to happen, for alternative accommodation to be found (if needed) and for the repairs to be done. In this case Mr W's claim was made in mid-October and the final settlement offer was made to Mr W in mid-July.
- I thought Ageas acted promptly at the start of the claim in appointing representatives and moving the claim forward. For example, the initial damage was inspected a few days after the claim was made, the claim was validated and accepted the following week, and a few days after that some of the initial stripping out work started. A temporary floor and toilet were also installed to alleviate some of the inconvenience Mr W was enduring.
- I thought the delays started to occur about a month into the claim when disputes arose regarding the inspection of the damage, the repairs needed and the alternative accommodation. My overall observation was that while Mr W was entitled to seek advice from local professionals to dispute whether or not contents needed removing to enable a fuller inspection, and he was entitled to delay a decision on alternative accommodation, this did hold up the settlement of the claim.
- Mr W told us about extra costs he'd incurred in respect of things like air purifiers and fans, as they hadn't been provided. I didn't know how much Mr W had spent on these extra costs, so I invited him to provide me with further details in response to my provisional decision so I could consider the matter further. I nevertheless pointed out that what Ageas had paid in respect of alternative accommodation would be relevant to my final conclusion on this point, particularly if the amount Mr W spent on alternative accommodation and extra costs was less than the £7,140 Ageas paid for alternative accommodation.
- Mr W also mentioned other delays – such as his contractor submitting a quote in mid-March, a revised quote in May, and requesting authorisation to proceed a few days later; but the contractor telling him the following month that he hadn't heard anything from Ageas. I thought this delay was reasonably explained as by early March Ageas had decided to settle the claim on a cash basis – so it wasn't going to authorise Mr W's contractor to do the repairs. In mid- to late-March, after receiving the contractor's quote and Mr W's rejection of the cash offer, Ageas agreed to arrange one final appointment to confirm if the proposed repair was accurate. But the appointment was delayed slightly as Mr W said he wanted to wait until after Easter. Ageas then made a revised cash offer in early May after further repairs were added. Following a further review of the contractor's quote the final offer was made in early July.
- On the face of it the claim settlement looked to have taken six months longer than it should have. However, I wasn't minded to conclude this was due to significant delays

caused by Ageas. It seemed on balance to be a natural result of the disputes that arose in respect of the repairs and alternative accommodation.

- There were nevertheless two areas of the claim where I thought there might be grounds for compensation to be paid. But I said I'd wait to see what Mr W and Ageas had to say before deciding what, if anything, Ageas might need to do to put things right.
- The first area related to drying out the property. There was reference shortly after the first site visit to Ageas being in the process of arranging a start date for the drying works. About a week later, there is reference to dehumidifiers being installed. However, Mr W told us that no fans or dryers ever arrived; which led to mould and damp spreading, which in turn led to Mr W living in damp conditions. I therefore asked Ageas to show me what drying equipment was installed, when it was installed, and where it was installed. I asked Mr W to do the same, or to confirm that no drying equipment was ever installed.
- In anticipation of the further comments, I proceeded on the basis that no drying equipment was installed. At the start of the claim Ageas's intention was to settle the claim by repairing the damage. As part of the repair process included drying out the property, it was incumbent on Ageas to dry the property as early as possible. That shouldn't have taken more than a few days if proper equipment was installed. So if no drying equipment was installed I thought that was a failure on Ageas's part to handle the claim properly. And that failure had a detrimental effect on Mr W as he had to continue living in the property in damp conditions.
- The second area related to a leak from the temporary toilet that was installed. The earliest reference I saw to this was in early February when Mr W told Ageas that there might be a leak. The next reference was in April when Mr W told Ageas he'd recently learned the water leaking from the temporary toilet was waste; and that a leak from the bath waste pipe had resumed. I understood that all leaks were eventually stopped by Mr W's contractor in early May.
- It wasn't clear to me what action Ageas took to resolve this issue. So, I asked for Ageas's further comments. To my knowledge, it was Mr W's contractor who eventually attended to the leaks. So while waiting for Ageas's further comments I worked on the basis that it essentially left it to Mr W to sort out. Although the toilet was intended to be a temporary fix until repairs could be done (which at the time was expected to be in a few weeks), it still needed installing correctly. And if something went wrong it seemed reasonable to me that Ageas was responsible to fix it. My understanding was that Ageas's defence was along the lines of "if Mr W hadn't unnecessarily delayed the claim the temporary fix wouldn't have failed". I didn't find that persuasive. Although it was a temporary fix, it had only been installed for three months when Mr W told Ageas that there might be a leak. And it was only just over three months into the claim at that point – so any delays, whatever the reason for them, hadn't been excessive.
- I thought Ageas treated Mr W unfairly by failing to attend to the leak. And that failure had a detrimental effect on Mr W as he had to continue living in the property with what turned out to be waste leaking from the toilet.

responses to my provisional decision

Ageas commented on its handling of the claim in respect of the drying equipment and leak from the toilet.

It said no drying of the property took place. It understood this was because of the volume of contents within the property and concerns with the integrity of the joists. It said drying was not recommended until both were resolved. It further said that given the challenges faced with agreeing the method to remedy the damaged joists and gain access to the affected areas, when cash settling the claim it included drying works expected to be needed. Ageas didn't think it was reasonable to conclude that it should have put driers in when they would have been ineffective (as there was limited airflow due to contents in the property) and drying could have potentially caused by damaged whilst the joist works weren't completed.

For the leak from temporary toilet it said it could have taken more steps to fix this. It still felt the leak wouldn't have happened if the temporary cistern had been in place for the expected amount of time, but appreciated it had a responsibility to rectify the leak once it happened. Ageas noted the damage was in the same areas as the original leak so repair work would have been included in the settlement sent to Mr W. It regrets that this aspect of the claim was overshadowed by the claim settlement negotiations and may not have received the full attention it warranted.

Mr W also provided various comments. I haven't listed them all below, but they include:

- Ageas didn't install drying equipment or attend to the leaks from the temporary toilet, sink and bath
- Ageas was regularly notified of the inconvenience in trying to wash each day and having to use a bucket filled from the bath to flush the toilet
- It was impossible to use the downstairs toilet as it was located directly under the flow of the leaking toilet above and they were worried about the electrics
- Not having access to adequate personal care due to accommodation problems impacted on Mrs W's health and put a strain on the family and friends who helped out
- Sewage had leaked into the kitchen, which led to having to buy one hot main meal per day; when money was tight they lived on sandwiches and salads which were often eaten in the car
- The family was often separated as Mr W stayed in the home with the pets while Mrs W and their son stayed elsewhere with friends who were able to help; that was also inconvenient as during the day they couldn't stay in the friend's house so they would have to sit in the car or try to stay in the garden
- They felt bullied into accepting the repairs
- The alternative accommodation offer was unsuitable for a variety of reasons, including:
 - they couldn't move out without losing social care or access to their doctor
 - they were told their house would be uninsured if they moved into alternative accommodation
 - a caravan wasn't ideal as their carers wouldn't empty the toilet
 - the alternative accommodation was inaccessible to carers eg due to the lack of parking

my findings

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

I've kept to the headings that I used in my provisional decision and I've again focussed on the main points. Although I've only summarised the comments Mr W made in response to my provisional decision, I have considered all of what he's said before issuing this decision.

'damage' claim

I provisionally concluded that Ageas acted fairly in deciding to settle this part of the claim by making a cash payment to Mr W, and that its offer of £10,244 was fair. I also concluded that Ageas should reimburse Mr W for the cost of the inspection that he arranged.

I still haven't seen anything which shows that the amount Ageas offered was insufficient to repair the damage caused by the leak. So it remains my view that the offer is fair. Ageas didn't provide further comments about it reimbursing Mr W for the inspection, so it remains my view that it should do this.

'alternative accommodation' claim

I provisionally concluded that Ageas acted fairly in fitting a temporary floor and toilet in the upstairs bathroom to make the home habitable until the repairs started, in trying to find somewhere suitable for Mr W to live and in settling this part of the claim by paying Mr W £7,140.

In response to my provisional decision Mr W explained why the various options Ageas proposed were unsuitable and the difficulties he and his family suffered throughout the claim. I don't dispute that and understand the reasons why Mr W feels this way.

However, what's fair in my opinion remains the comparison between the amount Ageas paid Mr W and the extra costs Mr W actually incurred in living elsewhere or in remaining in the property. I'd only ask Ageas to pay more than the £7,140 it's already paid if Mr W can show that the costs he incurred were more than this. Mr W hasn't done that, so there aren't any grounds for me to require Ageas to increase its settlement in this respect.

claim handling/delays

Although it looked on the face of it that the claim settlement took longer than it should have, I felt that was a natural result of the disputes that arose rather than significant delays caused by Ageas. I've noted what Mr W has said in response to my provisional decision but I don't think that adds to what he'd told us previously. My conclusion in this respect therefore remains the same.

I provisionally concluded that Ageas mishandled the claim as it didn't take sufficient action to dry the property and it treated Mr W unfairly by failing to attend to the leak from the temporary toilet. Both Ageas and Mr W have confirmed that no drying equipment was installed. Ageas has also accepted that it could have done more to fix the leak from temporary toilet. I now need to decide what Ageas needs to do to put matters right.

For the drying equipment, I felt that the repair process included drying out the property – and was therefore Ageas’s responsibility as it initially intended on repairing the damage. And I felt that not installing drying equipment had a detrimental effect on Mr W as he had to continue living in the property in damp conditions.

I note what Ageas has said about the potential effectiveness of the drying equipment and about the drying works being included when it cash settled the claim. But I don’t think that changes the fact that the drying was part of the repair that Ageas was responsible for at a time when it intended repairing the damage, or that the property wasn’t dried as quickly as it ought to have been. This added to the distress and inconvenience Mr W suffered immediately after the initial leak.

For the leak from the toilet, I felt that if something went wrong following the installation it was Ageas’s responsibility to fix it. And I thought that by failing to attend to the leak, Ageas had treated Mr W unfairly and had led to him living in the property in unpleasant conditions. Ageas has now accepted that it could have done more in to fix the leak. I think not doing more to fix the leak led to Mr W suffering considerable distress and inconvenience as he had to continue living in the property with what turned out to be waste leaking from the toilet.

So I think the only issue for me to now consider is what it should do to put matters right.

There is firstly the cost incurred in fixing the leak (not the damage caused by the leak as that’s covered under the “damage claim” section above). If it hasn’t done so already, I think the fair remedy is for Ageas to reimburse any costs Mr W incurred in getting someone out to fix the leak.

There is also the issue of the distress and inconvenience caused to Mr W. I can’t turn back the clock and undo what has happened. Usually in this type of complaint I get the financial business to pay compensation for the distress and inconvenience suffered by the consumer, and that’s what I’m going to do here.

Having considered the distress and inconvenience Mr W suffered, particularly as a result of Ageas not promptly attending to the leak from the temporary toilet, I conclude that £500 compensation is appropriate.

my final decision

I uphold this complaint in part. I require Ageas Insurance Limited to:

- pay Mr W £180 in reimbursement of the costs he incurred for damage to be inspected, plus interest (less tax if properly deductible) at a rate of 8% simple calculated from the date Mr W paid for the report
- if it hasn’t done so already, reimburse Mr W for the costs he incurred in fixing the leak from the temporary toilet, plus interest (less tax if properly deductible) at a rate of 8% simple calculated from the date Mr W paid for the repairs
- pay Mr W £500 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 April 2021.

Paul Daniel
ombudsman