

complaint

Ms C complains about the handling of an escape of water claim by Legal & General Insurance Limited ("L&G") under her landlord insurance policy. She said there were delays caused by L&G's agents in dealing with the claim and this caused her tenants to move out. She wants L&G to compensate her for the loss of rent until new tenants moved in.

our initial conclusions

Our adjudicator upheld the complaint. He thought there had been avoidable delays of around six weeks, and that the delays had contributed to Ms C's tenants moving out. He recommended L&G pay an amount equivalent to six weeks rent.

my final decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. L&G says there weren't any avoidable delays, but I don't agree. There were delays in appointing a loss adjuster, and delays with the loss adjuster writing a report (including setting out the scope of work that needed to be done) as he went on holiday. This led to delays with work starting. There were also delays with the approval of the cost of some repair work. I think these were all avoidable delays.

Overall, I think it was reasonable for the adjudicator to say there'd been avoidable delays of six weeks. Given that Ms C's tenants said the disruption caused to them over five months led to their decision to leave the property, it seems Ms C lost out on rent as a result of the time it took L&G to deal with the claim. I think on a fair and reasonable basis L&G should pay compensation equivalent to six weeks rent. I haven't told L&G to pay for loss of rent for the full three month period the property was untenanted, as I don't know for certain that Ms C's tenants wouldn't have still moved out due to the disruption the claim caused, even if there hadn't been avoidable delays.

My final decision is that I uphold this complaint. I require Legal & General Insurance Limited to pay Ms C compensation equivalent to six weeks rent. Interest should be added at the rate of 8% simple per annum (less tax if properly deductible) from the date the tenants moved out to the date of settlement.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms C either to accept or reject my decision before 13 November 2015.

Chantelle Hurn-Ryan

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

I note that before Ms C brought her complaint here, L&G offered her £150 compensation for the visits her letting agent had to make to the property, plus £200 compensation for the poor service it had provided. I find this to be reasonable.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.