

complaint

Mr R's complaint is about the policy provided to him by The National Farmers' Union Mutual Insurance Society Limited.

background

Mr R told NFU he was going to carry out extensive renovation works at his home and wanted a policy complying with The Joint Contracts Tribunal Standard Form contract (JCT). NFU told him his existing policy with it was appropriate and amended it to put it into joint names with Mr R's contractor in accordance with the JCT.

When Mr R later made a claim as a result of water getting into the property, he was told the policy didn't cover renovation works and he complained. Our adjudicator felt that NFU hadn't provided Mr R with a suitable policy. She recommended that NFU should consider his claim on the basis of All Risks or Accidental Damage cover. She also felt that there had been avoidable delay in resolving Mr R's complaint and recommended NFU pay a total of £500 as compensation.

NFU accepted her recommendation and said it would send out a loss adjuster to review the claim and agreed to discuss Mr R's insurance requirements with him for the rest of the renovation programme. It also agreed to pay the compensation our adjudicator had recommended.

Mr R was unhappy that his existing policy was the wrong policy for the renovation works and didn't accept the recommendation.

my findings

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

It seems to be accepted that Mr R told NFU he wanted a policy that met the relevant JCT standards and his existing policy, even after it had been amended to include the contract, didn't because it didn't cover the renovation works.

In relation to his existing claim, it seems only fair that Mr R should get what he asked for and thought he was paying for. It seems that what he was asking for was an All Risks policy in joint names and complying with the requirements of JCT 2005 clause 6.7 Option C2. Therefore, I agree that NFU should reconsider his claim as if the existing policy was an All Risks Policy covering the renovation works, complying with applicable JCT requirements and disregarding any terms and conditions that would be inconsistent with JCT.

NFU has agreed and wants to arrange for a loss adjuster to go out and do that. I recommend that Mr R allows this to happen now.

NFU has also agreed to discuss Mr R's insurance requirements for the rest of the renovation with him. I think that is a fair offer and if NFU is unable to offer a suitable product, Mr R will be free to make his own arrangements with other insurers, perhaps as part of a new JCT contract with his new contractor.

I agree that there have been avoidable delays in the handling of this complaint but I think the total of £500, which NFU has agreed, is fair compensation for the trouble and inconvenience Mr R has suffered.

my final decision

My final decision is to uphold the complaint. The National Farmers' Union Mutual Insurance Society Limited should reconsider Mr R's claim as if his existing policy was an All Risks Policy covering the renovation works, complying with applicable JCT requirements and disregarding any terms and conditions which would be inconsistent with JCT.

NFU should also pay any of the total of £500 compensation it has agreed which has not yet been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 February 2016.

Jonathan Coppin
ombudsman