

## **complaint**

Ms N is unhappy with how Admiral Insurance Company Limited has handled her insurance claim for damage to her kitchen following an escape of water.

For ease of reading, any reference to Admiral also includes its agents.

## **background**

In August 2018 Ms N discovered water was coming up into her kitchen sink through the waste outlet. In addition, her washing machine began filling with dirty water into the drum. She called her home emergency supplier, and whilst on the phone, she says the water burst out from the washing machine and onto the floor. The plumber sent out by the home emergency supplier said that the pipe outside was blocked meaning that waste water from the upstairs flat was coming into Ms N's property. Ms N made a claim to Admiral for the water damage to her kitchen units and appliances, along with the carpets in adjoining rooms.

Admiral sent out a surveyor to assess the damage. Ms N complained as she didn't feel the surveyor behaved in a professional manner. As a result, a further surveyor was instructed. Following the reports from these two surveyors, Admiral arranged for another investigator to validate the claim.

Ms N was unhappy with the length of time it was taking to finalise the matter and the handling of her claim. She therefore complained to Admiral who looked into the matter. Admiral said that the second surveyor was instructed due to the concerns Ms N had raised initially. It also said that Ms N raised concerns with the second surveyor too. In relation to the handling it said that all claims needed to be validated to confirm the cause of damage prior to agreeing cover which is why there were three separate reports issued.

Admiral said that the damage in the kitchen was extensive and inconsistent with the claim that was reported. It told Ms N that it was aware there were previous escape of water claims made that could have caused some of this damage. So, it believed some of the damage had been ongoing for some time. Admiral made an offer to pay £2524.16 (less the applicable policy excess) for the damage it believed was linked to this event, along with a payment to sanitise the area affected. This included payment for a fridge freezer, but it refused the claim for the oven and washing machine as their technician hadn't recommended these needed replacing.

Ms N remained unhappy with this response. She said her policy included cover for a new kitchen and Admiral was trying to avoid paying for what she was entitled to claim. So, she brought her complaint to this service. Our investigator looked into the matter and found that the offer made by Admiral was fair. She explained that due to the damage that Ms N had said had occurred following the escape of water, Admiral needed to investigate this further to be able to settle the claim – so she didn't think it had acted unreasonably when investigating her claim.

She also said that as Admiral had offered to replace the one unit that it says was damaged in this incident, and the original door could be rehung, she didn't think that it had to replace any of the other units that Admiral said weren't affected by this escape of water as it would still match. In relation to the oven and washing machine that Ms N wished to claim for, she

said that she hadn't seen anything to contradict the technician's report so didn't agree Admiral needed to pay for those items.

Ms N disagreed with the investigator's view. She said that she didn't understand why Admiral had singled out the one unit next to the sink as being the only one damaged in this incident. Ms N pointed out that by Admiral agreeing to pay for the fridge freezer, which was located diagonally opposite the unit, it showed that Admiral had acknowledged that the corner units were affected. She went on to say that all of the kitchen units had been damaged due to blown chipboard on the legs which were integral to the carcasses. She also stated that Admiral had not sent out a drying company as it should have done – if it had done so it would have been able to fully assess the damage.

As no agreement could be made, the complaint was passed to me to decide.

On 14 August 2020 I issued my provisional decision. I explained that I was thinking of coming to a different outcome to that of our investigator. In my provisional decision I said:

*There doesn't seem to be any dispute that an escape of water took place on the date notified. But the main crux of the complaint is centred around Admiral's settlement of the claim, specifically in relation to the amount of damage caused by this incident and whether Ms N is entitled to a replacement kitchen under her policy. So, I need to consider if Admiral has acted in accordance with the terms and this claim and, if not, was it fair and reasonable for it not to do so.*

*Firstly, it's important to note that Admiral arranged for three inspections to take place of Ms N's property. I accept that the second one was following Ms N's complaint regarding the professionalism of the initial surveyor. Whilst the ultimate decision about cover rests with Admiral, the purpose of these reports is to help it validate the claim event. And so, I have taken into consideration what has been said in the reports when reaching my outcome.*

*Admiral has said that the kitchen was suffering from wear and tear and that not all of the damage was caused by this one incident. It also says that some of the damage has likely been caused gradually over time – and it has referred to an earlier escape of water claim. I've looked at the photographs both parties have provided, and it is clear that this is an older kitchen which, as you would expect, does seem to show signs of wear from what would be considered as general use over the years. And this is why Admiral has said its offer is limited.*

*Ms N has said that the fridge freezer was opposite the washing machine, where the main volume of water escaped from, and so the units between these two areas would also have come into contact with the waste water. And from looking at the photographs of the layout of the kitchen, this would seem plausible. I've also noted that the initial surveyor's report included damp readings from the area around the bottom of the units which appear to indicate high levels of moisture were present. So, I'm persuaded that the water from this incident did come into contact with the units to the left side of Ms N's kitchen. It therefore follows that I don't think it is reasonable to say this area wouldn't have been affected by this event.*

*I've seen from the reports that it was believed the base units were on metal legs, which wouldn't be porous and therefore could be sanitised. But photographs have been provided that show the units are actually on chipboard legs which appear to be integral to the sides of the cupboards themselves. And these have open cut edges meaning that any waste*

*water could soak into the wood. The pictures also show that there are stains to the legs which could easily be water contamination from this incident. Regardless of whether there was previous wear and tear on these items, if there is a likely contamination of the cupboards as a result of this incident, I think it would be necessary to sanitise them. And I've noted that on two out of three of the reports there is reference to sanitising being required. However, Admiral hasn't been able to demonstrate how it would be possible to effectively sanitise the open chipboard on these cupboards.*

*In addition to this, two reports refer to the sanitisation of the floor and possibly walls. And both mention that the base units will need to be removed in order for this to happen. So, notwithstanding the first point about the chipboard legs, it seems unlikely to me that the units would withstand the removal and refitting. Whilst Admiral has chosen to offer Ms N a cash settlement, which it is within its rights to do, this shouldn't put her at a disadvantage. Taking this into account I'm persuaded that Admiral should include these base units in its settlement offer.*

*When making her claim, Ms N says she was made aware that she had cover for matching sets and so she thinks Admiral should be paying to replace her whole kitchen. Ms N's policy includes the following term in relation to matching items;*

***We will pay for an item that is lost or damaged but not for the other pieces of the set or suite which are undamaged, unless they form part of a bathroom suite or fitted kitchen and the damaged part cannot be repaired or a replacement found.***

*The important part to note here is that this only comes into force if the damaged part cannot be repaired or a replacement found. I'm aware Ms N has commented that if the base carcasses were replaced, the doors to one of the units (the larder) wouldn't be able to be re-used as the dimensions are different. As this is an older style kitchen it would seem reasonable that the style and design of cupboards would have changed over the years. And that would mean a suitable replacement hadn't been found. Therefore, Admiral would need to consider the replacement of the whole kitchen as per the term in its policy.*

*It is accepted by all that Ms N's kitchen is quite old. And, even though Ms N's policy has cover for matching sets, such as a fitted kitchen, I have to consider whether it would be fair to ask Admiral to replace the whole kitchen. I've thought about this carefully, but I'm not persuaded this would be a fair outcome in this case. I say this because this would put Ms N in a much better position than she was in prior to the loss occurring. She would have a brand new fitted kitchen to replace one that was showing a lot of signs of wear and tear and was potentially reaching the end of its life – I'm not of the opinion this is the intention of the policy. In addition, Ms N was in the process of redecorating and had already ordered units for the right-hand side of her kitchen. So, it would seem that she was aware of the need to refresh the area and was preparing to replace some of the units herself and therefore potentially the whole kitchen would not have matched.*

*In the circumstances, I think it would be reasonable for Admiral to contribute 50% to the cost of the new kitchen, taking into account what I've said above. Ms N has provided details of costings of a new kitchen from a well-known DIY retailer and it would therefore seem sensible for Admiral to use this estimate to calculate its contribution. Obviously if these costs have increased since the estimate was created, Ms N should provide Admiral with an updated version. I'm aware that this cost doesn't include fitting and so Admiral will need to incorporate this into its settlement.*

*This estimate does include some of the items that have already been paid to Ms N in the initial settlement offer, such as one base unit, plinths and the fridge freezer. Admiral should remove these from the estimate before calculating the 50% contribution.*

*Admiral has paid for Ms N's fridge freezer but not the washing machine or oven. In the report provided to Admiral, the technician has said the washing machine was working correctly and the built-in oven (which was not in the housing but placed on the floor on the right-hand side of Ms N's kitchen) was dry and so he didn't think it had been contaminated. Ms N says the technician told her that they should be replaced as they could have been contaminated. As there are differing opinions on this matter, I need to think about what I consider to be the reasonable way forward in this matter.*

*The main area of damage in Ms N's kitchen has been the left side. The oven was in the far corner on the right side of the room. So in the first instance, I can understand the logic of the report provided to Admiral. However, this item was not contained within a base unit but was situated on the floor – Ms N has said she had recently bought the item but had not yet installed it. Whilst it is unlikely that the escape of water would have led to large volumes of water going in this direction, I do think that some water would have made its way across the floor. And I must also take into consideration that the inspection of this item took place nearly three weeks after the incident had occurred – so it isn't likely that the item would have remained damp over that period. As this item is used for preparing food, I don't think there is enough to say this hasn't been contaminated and therefore I'm more persuaded that this should be replaced.*

*In relation to the washing machine, reports confirm that Ms N used the washing machine on a number of occasions and didn't encounter any issues. So, whilst I appreciate her concerns, I don't have sufficient evidence to suggest that this appliance needed to be replaced.*

*Ms N also wants to claim for her kitchen floor which she says she removed when the escape of water occurred. Admiral has said that, as the floor had already been taken up by Ms N before it had a chance to inspect it, it cannot say that the floor needed to be replaced. In order for me to instruct Admiral to pay for the flooring, I would need to be satisfied that there was an immediate need for Ms N to remove the tiles, rather than wait for Admiral to inspect them. From the pictures I've seen, the flooring consisted of individual linoleum tiles which were stuck down on the floor. And so, it isn't immediately obvious to me that there would be a need to remove these in order to mop up the floor. On this basis, as Admiral has not had the opportunity to see the flooring in situ to determine if it needed replacing, I'm not persuaded that there is enough evidence to support this aspect of the claim.*

*When taking everything into account, I think Admiral should have handled this claim more appropriately. Ms N has said she has been made to feel like she is lying about her claim and trying to get something she is not entitled to. I think its clear that this would have been distressing for anyone. And as a result of Admiral's actions, her claim has been delayed. With that in mind, I think Admiral should pay Ms N £300 in recognition of the upset and inconvenience this has caused.*

### ***putting things right***

*Admiral needs to do the following:*

- *Contribute 50% of the cost towards a new kitchen, based on the estimate supplied by Ms N. If the costings are now out of date, Ms N needs to provide an up to date version to Admiral. (Admiral can remove any items from the estimate which have already been reimbursed in earlier settlement offers.)*
- *Include in its settlement offer an amount for the cost of installation/fitting of the new kitchen.*
- *Pay for a replacement oven*
- *Pay compensation of £300 to Ms N*

Admiral responded to say it agreed with my provisional decision. Ms N also replied. She accepted my provisional findings in relation to the 50% contribution to the cost of the new kitchen, the inclusion of the installation/fitting costs and also in respect of the replacement oven. However, Ms N didn't agree with my comments about her kitchen flooring as she said she has already been paid for this. And she felt that the compensation offer made was too low. She said that a figure of £1000 would better reflect the distress, inconvenience, despair, frustration and anxiety she has suffered. She also said this would take into consideration the amount of personal time and time off work she has incurred.

### **my findings**

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

Ms N has provided up to date estimates to this service in relation to the cost of the kitchen. I will there arrange for these to be passed on to Admiral for it to consider when it is calculating its settlement offer for the kitchen. Ms N has said she assumes that the disposal costs for the old kitchen would be included in the offer and, whilst I haven't specifically mentioned this in my provisional decision, I think it would be reasonable to expect the installation and fitting of a kitchen to normally include those costs to remove the old kitchen. So I would ask Admiral to look into this cost favourably.

In relation to the kitchen flooring, Ms N has said she has been paid for this already in the initial claim settlement. But the cash settlement previously offered and paid only included £600 for the two carpets that were claimed, not the kitchen floor tiles. Ms N has provided a further explanation as to why she removed the flooring, stating that there were two layers – tiles and a covering of linoleum – and she removed these to try to minimise the contamination and avoid it travelling further to the hall and bathroom carpet. She doesn't agree that she should have left this down. I appreciate Ms N's further comments, however, if contamination was the main concern, I would have expected the hallway and bathroom carpets to also have been removed – this didn't happen. But I also note that Ms N has stated that she feels the amount of £600 for all floor coverings, including the kitchen, is adequate. So on this basis, and as her comments have not altered my view on this aspect of the complaint, Admiral doesn't need to pay anything further for the flooring.

I've thought carefully about Ms N's comments regarding the compensation award. Having reviewed all of the documentation when reaching my provisional outcome, it was clear to me that an award was due for the distress this whole episode caused Ms N during this time. However, dealing with an insurance claim involving such damage is inevitably inconvenient and taking time off work to attend surveyor visits and having to make phone calls and respond to emails is necessary for a lot of cases like this. And I wouldn't award compensation for what would be considered the normal handling of an insurance claim.

Ms N has been put to more inconvenience than most as a result of the way Admiral has handled this issue and I've no doubt this has impacted her and caused her distress. But I think that my award of £300 recognises the impact this has had on her, over and above what we would normally expect for an insurance claim. I'm not persuaded that this sum should be increased.

### **putting things right**

Admiral needs to do the following:

- Contribute 50% of the cost towards a new kitchen, based on the estimate supplied by Ms N. Ms N has provided new estimates to this service which will be passed on. (Admiral can remove any items from the estimate which have already been reimbursed in earlier settlement offers.)
- Include in its settlement offer an amount for the cost of installation/fitting of the new kitchen (Admiral should take into consideration disposal costs)
- Pay for a replacement oven
- Pay compensation of £300 to Ms N

### **my final decision**

For the reasons mentioned above I uphold this complaint.

Admiral Insurance Company Limited must put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 23 October 2020

Jenny Giles  
**Ombudsman**