

complaint

Mr and Mrs D have complained that Ageas Insurance Limited hasn't considered part of a claim for damage under Mrs D's home insurance policy and hasn't paid for losses incurred in funding the repair works.

background

Mr and Mrs D's property was damaged by rainwater coming in. Ageas appointed a loss adjuster who said that the damage had been caused by the failure of the flat roof covering. Mr and Mrs D sent Ageas a report from their contractor which said that the mortar in the brickwork had failed and that was allowing rain to enter. The loss adjuster agreed that there was a crack in the mortar which might allow water in but he still thought that the flat roof was the main cause of the problem.

Ageas said that because the damage had happened gradually, it wasn't covered by the policy. However, following an earlier complaint to this service Ageas agreed to consider their claim under the accidental damage section of their policy and to pay them compensation of £200 for the distress and inconvenience it had caused them.

Mr and Mrs D had the roof repaired. Ageas asked Mr and Mrs D to send it an invoice for the works which they did. Ageas then paid Mrs D £4208 (which included the cost of their invoice in relation to the roof repairs, 8% interest on this sum, and the £200 compensation which our adjudicator had recommended under the previous complaint).

Mr and Mrs D say that they had to borrow money to pay for the roof repairs and when it was due to be repaid, they had to sell shares at a significant loss in order to raise the funds. Also the damage to their brickwork hasn't been repaired.

They complained about this to Ageas who said that it wouldn't cover the loss caused by the sale of the shares. Ageas didn't explain why it hadn't considered the damage to the brickwork.

As Mr and Mrs D were still unhappy, they complained to this service. Our adjudicator recommended that Ageas should consider the outstanding damage under Mrs D's claim under the accidental damage section of the policy. Ageas agreed to that. Our adjudicator didn't think that Ageas should be liable for the loss caused by the sale of the shares. As Mr and Mrs D didn't agree, the matter has been referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Ageas has agreed to consider the damage to the brickwork under the original claim and I think it's right to do so. It agreed as part of the resolution of the original complaint to consider the outstanding damage under Mrs D's claim under the accidental damage section of the policy. It knew there was damage to the brickwork as well as the roof and that it had only paid for repairs to the roof.

The other issue left for me to consider is the sale of the shares. This sort of loss wasn't directly caused by the original claim but was a consequence of it (a consequential loss).

I haven't seen any evidence of this loss but I don't think that's necessary for the reason I'll explain. We don't often require insurers to pay for consequential losses in insurance complaints and when we do, we usually need to be satisfied that the loss was a foreseeable consequence of either the claim or an error in handling the claim. In this case I haven't seen anything to suggest that Ageas could have foreseen that Mr and Mrs D would have taken out a loan to pay for the repairs to the roof, then had to sell shares to repay that loan and those shares would be sold at a loss.

For that reason I don't think it acted unreasonably in refusing to reimburse Mr and Mrs D for this loss. I note that in line with this service's usual approach Ageas did add interest onto its settlement for the roof repairs at a rate of 8% simple interest and I don't think it would be fair to require it to pay any more in this respect.

I think Mr and Mrs D have suffered further inconvenience in having to bring a second complaint to have the outstanding damage considered under the claim and think that it would be fair for Ageas to pay them £50 compensation in respect of that.

my final decision

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

- reconsider the outstanding damage under Mrs D's claim under the accidental damage section of her policy subject to the remaining terms and conditions of the policy. In doing this, it should ensure that the terms of our original adjudication in respect of Mrs D's earlier complaint about this claim are followed.
- pay Mr and Mrs £50 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs D to accept or reject my decision before 30 October 2015.

Elizabeth Grant
ombudsman