

complaint

Mr P, Ms I, Ms P and Ms B's complaint is about the amount that Gresham Insurance Company Limited paid under a claim following a break-in to their flats.

background

The complainants live in flats in the same building. In 2014 the flats were broken into. This caused damage to the doors of the flats.

The incident was reported to Gresham and a claim made. Gresham offered to arrange for the flats to be made temporarily secured. It would then arrange repairs on a like for like basis using its own contractors. However, this offer was declined because arrangements had already been made. Mr P, who telephoned Gresham, was made aware that whilst they could arrange the repairs themselves, Gresham would assess how much it was liable for when settling the claim. Also, that it could limit the amount it paid to how much it would have cost it to do the repairs.

Gresham assessed the cost of the repairs if its own contractor had done the work as £1,735.83. To this it added the cost it would have paid out if it had completed temporary repairs. It then deducted the £100 policy excess and made an offer of £2,100. It later increased this as a gesture of goodwill to £2,500.

The complainants are not happy with this offer as it cost them more than this to have the repairs done.

my findings

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

I have read the insurance policy and it clearly states that any claim settlement would be limited to the amount that it would cost Gresham to complete the repairs. This is a fairly standard term in such policies. Mr P was told that this would be the case before the repairs to the flats were done.

I am satisfied that Gresham did not act unreasonably when it based its settlement on the amount it would have cost it to do the repairs.

However, the fact that the settlement has been calculated based on the cost of Gresham's own contractor doing the works is not the only reason for the difference in costs. The complainants' contractor completed more work that Gresham's contractor believed was necessary. In addition, it appears that better doors were installed than the ones in place before the break-in.

I have again considered the policy terms and the policy only provides for a like for like replacement. As such, Gresham would not be liable for the additional cost of the better quality doors.

In relation to the additional work, part of this was replacement of the lock on the main entrance door. It does not appear that this was damaged in the break-in. As no keys were missing, it does not appear that this lock *needed* replacing. Although I can appreciate that

the complainants would want this lock replaced, it was not damaged. As the policy only covers loss or damage caused by an insured event, its replacement was not covered by the policy. I don't consider that it was unreasonable for Gresham to decline to pay for this.

The other item that is in dispute is the replacement of the door frames. At the time that Gresham's representative attended the doors were in the process of being replaced. It has said that the door frame had not been replaced at that time and as the door was being fitted, it did not appear that it was necessary. If a door frame is to be replaced, it would be done before the door was fitted. So, it does not appear that the frame needed replacing.

Overall, I am satisfied that the settlement made by Gresham appears to be fair and reasonable in the circumstances.

my final decision

My decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P, Ms I, Ms P and Ms B to accept or reject my decision before 30 October 2015.

Derry Baxter
ombudsman