

complaint

Mr and Mrs A, following a claim on their house insurance, are unhappy with its provider, Ageas Insurance Limited.

background

Mr and Mrs A found a leak. They made a claim to Ageas and lots of things went wrong. I issued a provisional decision on their complaint and Ageas agreed to a number of awards. But there are still some key points that Ageas, as well as Mr and Mrs A aren't happy about.

my findings

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

One of the key things Mr and Mrs A have said is that they don't want any involvement with Ageas after this decision, which is why they want me to make awards now for things that haven't yet happened. I can't do that. I've made specific awards where I can but in some cases further contact might be needed if Mr and Mrs A want further payments to be made. In these cases it would be unfair for me to make Ageas pay anything right now.

Out of pocket expense (items 1-13)

1) alternative accommodation October - November

Mr and Mrs A went to stay with relatives abroad as they felt this was cheaper than finding like-for-like accommodation in the UK. I said I didn't believe the trip was booked as a result of needing to stay elsewhere because of the state of the house. Mr and Mrs A disagreed with what I said. They pointed out they'd already had their holiday that year and booking this trip had made them overdrawn. I've listened to what's been said but I'm not minded to change my view on this. An insurer has to pay for losses faced as a result of its policyholder living elsewhere because the house can't be stayed in. If, coincidentally, the policyholder is living elsewhere at that time for other reasons the insurer doesn't have to cover the cost of that. So I'm not going to make Ageas pay anything more here.

2) alternative accommodation (when the family came home in early November)

If, however, having been away a policyholder comes home to use their house but can't because of the state it's in and then experiences costs, an insurer would have to cover those costs. That's what happened here and that's what I've said Ageas must do. I said Ageas should pay the £80 of fuel Mr and Mrs A reported using (to keep warm sleeping in their car) and £10 per person per day (4 people, 3 days = £120) but if there were receipts that showed exact costs they could get these paid instead, plus interest.

Mr and Mrs A said they had fuel receipts from the time that showed more than £80 being purchased. So they wanted the £80 plus interest. I'm not going to award interest. £80 is an estimated usage; buying more fuel than this around that time doesn't show £80 is an exact figure for fuel used to keep warm.

They said £10 each a day was too little. They provided their bank statements to show some supermarket purchases which they said put their actual costs in line with the £75 a day Ageas had paid for a different period. They asked for interest. I understand that receipts

weren't kept but the bank statements don't show food purchases or what Mr and Mrs A would usually spend. The allowance I award is for *extra* food costs. The amount Ageas paid before is over and above what I'd usually award. My award remains at £120 without interest.

3)council tax, 6)phone and broadband & 7)homecare policy

I said I hadn't seen that Ageas had paid anything for the period October 2013 to July 2014 when the family moved home and it would have to reimburse any extra payments Mr and Mrs A had to make during this period. In response Mr and Mrs A pointed out that some payments through to *September* 2014 had been made. They felt this was further proof that Ageas had already agreed future costs would be faced. They said they wanted an award based on the amounts Ageas had already agreed but over an extended period.

I see some payments have been allowed for by Ageas for the period October 2013 to September 2014. I don't know if these truly reflect the costs Mr and Mrs A had during October to July when they were living away from home while still leaving enough to cover the costs they will have when work resumes. And Ageas hasn't broken its payment down for October to July and July to September. The amounts Ageas has paid for October to September are; £2,700 council tax, £225 broadband and phone & £231 homecare. If, once further costs come in, and the total of these along with the extra cost from 2013/2014, are more than the figures here, I'd expect Ageas to review its payments. But, in order for it to do this, Mr and Mrs A will have to let it know and send it proof of the costs they've actually had to pay out. Despite Ageas' previous payments I'm not going to tie it to paying even more when no loss has yet happened. That's not fair or reasonable.

I did also say that Ageas had to reimburse any extra charges Mr and Mrs A had due to late payment. They've satisfied me they were charged £59 and paid this on 14 May 2013. So I'll make an award for Ageas to pay this with interest from that date.

4) gas and electric & 5) water

The same argument about future charges was made. But here Mr and Mrs A felt Ageas had allowed £500 and £43.04 for future utility charges. Ageas had off-set these payments against an offer it made for extra costs from 2013/2014 (see below). Mr and Mrs A objected to this. Regardless of why they were paid it wouldn't be fair to make Ageas 'bank' them and pay more for costs that have been faced by Mr and Mrs A already.

Regarding extra costs Mr and Mrs A had during 2013/2014; Ageas had made an offer of £4,457.70. This was based on differences in bills submitted by Mr and Mrs A (and their figure for reimbursement) but took into account previous payments made totalling £1,026.98 (£500 + £43.04 + £483.94). I felt, with interest, this would be a fair settlement. I said, for ease, interest should run from 1 August 2013. Ageas agreed and, apart from their comments about the previous payments which I've dealt with above, Mr and Mrs A made no objection. Therefore, this is what I'm going to award.

8)additional fuel

After November Mr and Mrs A lived away from home for an extended period and where they stayed was further from their usual amenities than their home. Ageas paid them £350 for their extra costs but they wanted more. I agreed they should get more and Ageas agreed to pay them their requested amount of £1,150.20. Mr and Mrs A asked for interest to be added. I'm going to make Ageas pay this amount, less the £350 already paid (£800.20) but I'm not

going to add interest. As explained before interest is given on exact losses. I see Mr and Mrs A's monthly fuel costs were quite high but I've nothing to compare that to.

For completeness, I haven't made any award for future fuel usage, while Mr and Mrs A will have to live elsewhere for a time it's not certain the same loss will occur. That being said Ageas has already paid £300 for future fuel usage.

9)insurance premium - This is no longer an issue. It's here so the numbering still correlates.

10)locks and burglar alarm

I said Ageas had to pay the costs Mr and Mrs A had asked for here and Ageas agreed. Ageas will pay £125 for locks (included three keys) and £195 for fixing the alarm.

11)loss of water - £30 was in dispute. I said Ageas should pay it, plus interest. It agreed.

12)repair of leaking pipe

Mr and Mrs A wanted £150 as they felt Ageas had mislead them about this repair cost being covered. I said that a payment of £75 would be fair. Mr and Mrs A asked for it all. I'm going to award £75 - this leaves Mr and Mrs A having paid £75 which, I'm still satisfied, is fair.

13)fridge-freezer

Mr and Mrs A reported a problem with the works that caused damage to their fridge-freezer. I said Ageas should replace or pay to replace this. Ageas agreed and offered £300 in cash. It said it would look to offer more and/or do a direct replacement if Mr and Mrs A wanted it to but that to do this it would need more details about the make and model. I think this is fair.

uninsured work

I said Ageas was responsible for the cost of putting right Mr and Mrs A's en-suite. This hadn't been part of the insured repairs but there was an agreement during the works which I felt meant Ageas had taken on liability for it. Ageas accepted what I said and agreed to put things right.

to put poor work right (including the en-suite)

One key area of dispute has been that Mr and Mrs A just want certain costs for outstanding work paid. I'd previously said an independent surveyor was needed to work out what jobs needed to be done and at what cost. Mr and Mrs A didn't want this and set out the costs they are looking for:

Item	£ Without VAT	£ With VAT
Fixing the En-suite	5,449.30	6,539.16
Missed/extra door		315.72
Extra for kitchen (make settlement in line with most competitive quote)		1,082
Tiling	89.60	107.20
Carpets (hall measurements wrong and carpets needed throughout)		4,376.30

Light fittings	225	270
Hall radiator	140.08	168.10
Building control	500	600
Structural calculations	200	240
Wallpapering (materials only)		220

Ageas agreed to forego an independent surveyor and settle everything above in cash, apart from the en-suite and the carpeting, but without VAT. Ageas has said it will consider the costs for the en-suite and carpeting also without the involvement of an independent surveyor but couldn't just agree to pay the figures stated.

I can understand where Ageas is coming from. And I can't say it's unreasonable because I didn't think the costs and necessary work were as clear as Mr and Mrs A thought they were. Which is why my provisional award was for an independent surveyor to look at everything. I think the offer from Ageas is a pragmatic one; it's moved things along and goes a long way to clearing up most of the uncertainty Mr and Mrs A wanted to avoid. I know they want this decision to bring an absolute end to their involvement with Ageas but I can't fairly make Ageas pay for the en-suite work and carpeting without letting it look at these two specific issues a bit further in order to satisfy itself regarding costs.

So my award will be for Ageas to pay cash for everything above (less VAT) except for the en-suite and carpeting. For these two items Ageas will have to consider what costs are reasonably due to Mr and Mrs A and make them an offer in settlement. If the offer doesn't meet or exceed the related values set out above it will have to appoint an independent surveyor to determine a fair price. The appointment will be made from a list of three experts selected by Mr and Mrs A. It will pay for the expert but his appointment will be on a joint basis and his view on costs will be binding on both parties.

This service doesn't usually make insurers pay VAT until VAT has to be paid by their policyholder. I see no reason to move away from this approach here. If, when Mr and Mrs A get the work done, they are charged VAT by their contractor then Ageas would be liable for reimbursing this cost to them. I can't award this amount now though as it's not a forgone conclusion that VAT will be charged to or paid by Mr and Mrs A.

alternative accommodation and other costs moving forwards

Mr and Mrs A want all their future costs paying up front (not just in relation to utility usage). I said that's not fair, especially as I don't know for sure what future costs they'll have. I didn't think it was fair to say that because costs were experienced before while living away from home they would be again. I still don't think it's fair or reasonable to make any award for this outside of what Ageas has already agreed to pay.

That being said, Ageas has now agreed to pay the amount Mr and Mrs A asked for to cover future surveyor's costs, £2,308.91. This was based on a shortfall between Mr and Mrs A's cost of £7,308.91 and the £5,000 Ageas had allowed for this in its previous cash settlement.

record of claim

I said there'd been repair costs here because of Ageas' failings and these shouldn't be recorded on Mr and Mrs A's claim history. I said the claim cost on their history should be amended to £15,000. I explained this was a figure that I felt the original claim, if handled properly, shouldn't have exceeded. Both parties accepted my comments.

time spent

Mr and Mrs A wanted reimbursing for their time spent sorting out issues caused by Ageas. I said I could fairly accept, without additional proof, that £500 had probably been lost but to award anything more I'd have to see clear proof of a financial loss.

Mr and Mrs A sent in a substantial reply detailing 29.5 days (not evenings or weekends) spent as a result of Ageas' failures which they said cost them around £12,000 in unpaid leave and/or holiday entitlement. While I can see clearly from this what time was spent, I can't see that a financial loss resulted from this. Mr and Mrs A say they used holidays which they would otherwise have 'sold back' to their employer. But they've not shown me that in previous years they usually did this. Nor have they shown me that leave was actually arranged, and sometimes at short notice, for the days they've said. Mr and Mrs A may feel I'm being unusually strict about this but this sort of award, in the amount Mr and Mrs A are asking for, has to be justified with clear and strong evidence. I haven't seen that here so I'm only going to make Ageas pay £500.

compensation

I said that Ageas should pay a total of £3,000 and provide a written apology. It agreed. Mr and Mrs A confirmed £2,000 had already been paid and asked me to increase my overall award. They said their health had suffered which they'd received medication for. They also specified the form they'd like the written apology to take: individual, age appropriate messages and cards to each of their children.

I've looked at the additional information Mr and Mrs A have provided about their health but I would clarify; I never doubted their health was suffering. But I said the doctor didn't seem to have decided for himself what the cause of their problems most likely was. What they've sent now doesn't change that view.

Regarding the apology, this is an unusual request but I don't think it's an unreasonable one. Mr and Mrs A have given us the names of their three children (one of whom was born during the repairs but after the family (of then four) spent two nights in their car). If they can let us know their ages too we can pass these details, confidentially, to Ageas.

my final decision

I uphold this complaint in part and require Ageas Insurance Limited to do and pay a number of things to put matters right. For ease, I've used the same headings for my awards as in the linked findings above. Interest, where applicable, is at a rate of 8%, and applied from the dates detailed and until settlement is made.

- previous out of pocket expenses (numbers with no awards (1 & 9) are not detailed):

- 2) - Pay £200 (£80 for fuel and £120 as a food allowance).
- 3), 6) & 7) – Pay £59, plus interest from 14 May 2013.
- 4) & 5) - Pay £4,457.70, plus interest from 1 August 2013.
- 8) - Pay Mr and Mrs A £800.20.
- 10) - Pay £195 and £125.
- 11) - Pay £30, plus interest from the date the extra charge was paid.
- 12) - Pay £75, plus interest from one month after the claim.

13) – Pay £300 to replace the fridge-freezer or, if Mr and Mrs A want, review the make and model in order to provide a replacement or pay an accurate replacement cost.

- to put poor work right (including the en-suite):

Pay £3,003.02 less VAT.

Taking on board what I've said above, consider the en-suite and carpeting costs further. If necessary, taking into account my directions, appoint an independent surveyor, in line with my comments above.

- alternative accommodation and other costs (including utilities) moving forwards:

If Mr and Mrs A want more future costs to be considered and paid, deal with their requests proactively and in a timely manner.

Pay £2,308.01 for surveyor's costs.

- record of claim:

Amend Mr and Mrs A's history, internally and externally, so this claim only shows a cost of £15,000.

- time spent:

Pay £500.

- compensation:

Pay £1,000 (which makes a total of £3,000 compensation).

Provide a full and frank apology to Mr and Mrs A along with age appropriate cards and messages to their children.

I don't make any other award.

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

Fiona Robinson
ombudsman