

complaint

Mrs P's unhappy with the excess Millennium Insurance Company Limited has applied to a claim on her household insurance. And the speed and way in which her claim was handled.

background

Mrs P bought buildings and contents insurance with Millennium in September 2013. She says she bought it online and the website said the compulsory policy excess was £250 for this type of claim. She also opted for an extra £50 voluntary excess.

The policy booklet and '*significant limitations and exclusions*' documents she was provided show a £250 compulsory excess. But the policy schedule says it's £350.

In May 2014 she had a burst pipe in her home that caused damage to carpets, and some personal possessions. Some redecoration was also needed. Mrs P contacted Millennium straight away. She returned the claim form with repair and replacement quotes promptly. Millennium instructed a loss adjuster who visited Mrs P 22 days after the burst pipe. And he submitted a preliminary report five days later.

Less than six weeks after the burst pipe, Millennium told Mrs P she could start the repairs on the basis of the quotes provided. She couldn't afford to pay for the repairs. So Millennium offered to make an interim payment. Mrs P accepted this and five days later Millennium sent her a cheque for £1,562.79 (about 75% of the final settlement).

Mrs P told Millennium she needed the full amount. But eventually, in mid-August, she ordered her flooring and sent the invoice to Millennium. After about six weeks of email exchanges, the final settlement figure was agreed and Millennium sent Mrs P a cheque for £539.18. Millennium has applied a £400 excess (£350 compulsory and £50 voluntary) to each of the two elements of her claim - one for the buildings claim (damage to walls and ceilings), and one for the contents claim (damage to carpets and other contents).

Our adjudicator upheld Mrs P's complaint. He thought the excess for this type of claim wasn't clear, so Millennium should only apply the lower value. He initially thought Mrs P should be compensated for delays in the claim handling. But on reflection withdrew this recommendation. Millennium hasn't responded to our adjudicator's letter so this case has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided to uphold this complaint in part. I'll now explain why.

Millennium hasn't disputed that Mrs P was sent the policy booklet and '*significant limitations and exclusions*' document that said the compulsory excess for this type of claim was £250. And this is consistent with what she says she saw during her online application. So I think when she bought the policy Mrs P thought the compulsory policy excess for this type of claim was £250.

Millennium's pointed out that Mrs P was advised to read the policy schedule it sent her together with these other documents. And I've seen the schedule and it does show the

excess as £350. But because this was different to what Mrs P had been told at the point of sale, I think Millennium should have drawn this to her attention. But I don't think it did.

If Mrs P had known about the higher excess she may have shopped around and found similarly priced insurance with a £250 compulsory excess. So I don't think it would be fair for Millennium to apply the £350 compulsory excess to Mrs P's claim. And it follows that I think this part of her complaint should succeed. To put things right, I think Millennium should refund her the extra £200 excess applied (£100 for each element of her claim).

Mrs P's also unhappy with how Millennium handled her claim. She thinks it caused unnecessary delay that caused her distress and frustration. I've reviewed the email exchanges between Mrs P and Millennium. I think that Millennium responded promptly to Mrs P's emails (mostly within 48 hours). It paid her about 75% of the final full settlement figure less than a week after she asked for an interim payment. And paid the balance less than 5 months after the burst pipe occurred.

While there were periods of negotiation and debate between Mrs P and Millennium, this is quite normal in even straightforward claims. And overall I think the claim was handled, and settled within a reasonable time. So I don't think Millennium should be required to compensate Mrs P for this aspect of her complaint.

my final decision

For these reasons, I intend to uphold Mrs P's complaint in part and require Millennium Insurance Company Limited to refund her £200 for the extra excess applied.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs P to accept or reject my decision before 5 November 2015.

Mike Foster
ombudsman