

## **complaint**

Mr and Mrs H are unhappy with the way The National Farmers' Union Mutual Insurance Society Limited ("NFU") has handled their claim for damage to their business caused by a fire.

## **background**

I issued my provisional decision on this complaint in February 2020 explaining that I was intending to partially uphold it. Here's what I said in my provisional decision:

### ***"background***

*There has been extensive background to this complaint which I won't repeat in full detail here. But I have carefully considered the full timeline of events.*

*Mr and Mrs H suffered a fire on their farm in March 2017. The building affected was a barn used to house animals in the winter and let for weddings and events in the summer. I'll refer to this building as the wedding barn moving forward.*

*Mr and Mrs H raised a claim through their buildings insurance policy with NFU. NFU accepted the claim but initially advised that the barn was underinsured. It said Mrs H provided a declared value of £10,200 when she extended cover to include hosting weddings, in 2016, so this was the sum insured. NFU paid Mr and Mrs H this amount in May 2017 to settle the claim.*

*Mr and Mrs H complained about this. They said the wedding barn is part of a larger structure, named on the insurance policy as cubicle house, and that the total value insured for this building was sufficient. They said Mrs H took the £10,200 to be the additional cover for the risks associated with holding events in the barn.*

*NFU investigated Mr and Mrs H's complaint. It accepted that it failed to properly identify whether the wedding barn formed part of the building referred to as cubicle house. Based on this, it agreed to provide cover for the wedding barn without applying any restriction for the declared value which was detailed on the policy at the time of the claim (£10,200). But it said its offer was subject to the remaining policy terms, and that Mr and Mrs H should pay the correct premium for the risk from the beginning of the policy period in which the claim arose (2016). It suggested that Mr and Mrs H obtain professional valuations, of each of the buildings which make up cubicle house, to avoid any future risk of underinsurance. It also offered to complete a site visit to assess what the correct premiums should be.*

*Mr and Mrs H increased their business overdraft to fund the repairs themselves. They brought their complaint to our service as they wanted our view on whether it was fair for NFU to apply conditions to its agreement to settle the claim. They argued that NFU had more than enough information to assess the claim and that there would be no benefit in completing a site visit. They wanted NFU to pay the remaining capital deficit including interest and pay compensation for the significant stress and inconvenience they experienced as a result of NFU's errors.*

*Two investigators at our service have considered Mr and Mrs H's complaint. The final opinion given was that NFU's decision to withhold settlement until the correct premiums can be calculated was fair and reasonable. Once this has been established, our investigator's opinion was that NFU should:*

- *Settle the claim in line with the remaining policy terms*
- *Reimburse Mr and Mrs H for the additional fees and interest they incurred in relation to the repair work*
- *Pay 8% simple interest on these amounts from the date the increased overdraft was arranged*
- *Pay £500 compensation for the distress and inconvenience Mr and Mrs H have experienced.*

*Mr and Mrs H don't agree that it's fair for NFU to withhold settlement of the claim until the correct premiums are calculated. They say they've paid premiums based on the sums insured agreed by NFU's agent, and that NFU already hold a detailed description of the buildings at their farm which require insurance. They maintain that the total sums insured for cubicle house are sufficient.*

*Mr and Mrs H say the value for cubicle house was set by NFU's agent and that they were entitled to rely on his advice. They say NFU can't change the terms of the contract retrospectively. They also feel strongly that any interest our service awards on settlement of the claim should be paid from the date of loss to the date of settlement. They've quoted several articles from our service's website which say this is our general approach.*

*Our investigator considered Mr and Mrs H's arguments, but they didn't change his view. So, because no agreement could be reached, the complaint was passed to me to decide.*

### ***my provisional findings***

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

*While several issues have been raised as part of this complaint, this provisional decision focuses only on the issues I consider to be materially relevant to the outcome of the complaint. But I have carefully considered all of the evidence and arguments from both sides.*

*It isn't in dispute that NFU made an error when adding cover for the wedding barn to Mr and Mrs H's policy. NFU accepts this. It has agreed to settle the claim once it has clarified the correct level of risk it was exposed to at the time and adjusted the premiums accordingly.*

*There are three issues I believe are crucial for me to decide here. These are whether NFU's position that it requires further information from Mr and Mrs H to recalculate their premiums is fair, in light of the evidence already provided. How interest should be calculated and paid as part of any claim settlement. And how much compensation should be paid for the trouble and upset Mr and Mrs H have experienced.*

*For ease of reference I'll address each in turn.*

the claim settlement

*Mr and Mrs H feel strongly that their farm was adequately insured and that, therefore, they have paid the correct premium. They've said that after the fire NFU's loss adjuster valued the wedding barn at around £35,000 and that the wedding barn makes up a third of cubicle house. So, they said the sum insured for cubicle house (around £115,000) is clearly correct.*

*NFU states that it is for the policyholders to set sums insured and that this is clearly set out in the policy documentation. It says it was Mr and Mrs H's responsibility to ensure that the buildings required for cover were adequately insured.*

*NFU says the estimated value placed on the wedding barn by its loss adjuster, after the fire, is not intended to be used as a basis for an accurate sum insured. It says its loss adjuster only assessed the wedding barn, but cubicle house is made up of several buildings, used for different things and made of different materials. So, it says this estimate cannot be used to value the entire structure. This seems a reasonable position to take.*

*Mr and Mrs H have argued that NFU's agent advised them to insure cubicle house for £100,000. They say the agent had a regulatory responsibility to ensure any advice he provided was suitable and took into account their needs. Based on this they don't agree that NFU should be able to review the sums insured and amend the premiums before settling the claim.*

*I've carefully considered what both sides have said about this issue. I've also taken into account the policy documentation.*

*Page 5 of the policy wording document sets out the policyholder obligations. Under the subheading, "property" it states:*

*"Special Conditions, Underinsurance - Accurately declaring the value of property insured"*

*The policy renewal documents I've seen, from various years, include a paragraph headed, "keep your cover up to date" which states:*

*"You need to Insure each Item under this policy for the correct value. If the Insured value of any Item is too low, you may not receive the full amount of any claim you make, meaning you may bear part of the loss. You should review your Insured values regularly so that your Insurance accurately reflects the value of the Items you are Insuring throughout the term of the policy, not just upon renewal."*

*The policy insurance review from November 2016 (erroneously dated November 2011) includes a paragraph about an optional, professional valuation service. It states:*

*"Valuation Service, if you have any concerns regarding your sums insured on any of your buildings, we recommend you seek professional advice. Quotations can be provided for valuation of your Listed, Domestic, Commercial or Farm buildings by a surveyor from one of our recommended suppliers."*

*This same document has a page headed, "important information". The first section of this page relates to underinsurance. It states:*

*"Underinsurance - setting your Declared Value & Sums Insured  
It is important that you make sure any property is insured for a sufficient amount."*

*And*

*"Please take the time to consider whether you need to increase these amounts. We recommend that you obtain a professional valuation if you are in any doubt about the adequacy of your insurance on any buildings."*

*Based on this collective information, I think it is clear that responsibility for setting the sums insured (value at risk) for the buildings rested with Mr and Mrs H.*

*I've also considered Mr and Mrs H's argument that NFU's agent provided unsuitable advice about the value of cubicle house. NFU has obtained a statement from the agent about this meeting. He says,*

*"I think I gave them a suggestion of £100k as a sum insured for this as an indication making it clear to them that they had to make the final decision on its value."*

*As the evidence about what was said during this meeting is contradictory, I need to make my decision on the balance of probabilities. That is, what do I think is more likely, based on the available evidence and arguments.*

*NFU's agent is required to provide advice on cover, in line with the terms and conditions of the policy. He also provided Mr and Mrs H with the documents quoted from above, which clearly explain that it is Mr and Mrs H's responsibility to ensure the declared sums insured are adequate. On balance, I find it more likely than not that the agent would have explained this to Mr and Mrs H when he gave them a suggestion of £100,000. So, I don't agree that NFU's agent set the sums insured as Mr and Mrs H have suggested.*

*Mrs H added the wedding barn to cover in 2016 over the phone. Mr and Mrs H say they thought the £10,200 she declared was for the additional cover for the risks associated with holding events in the barn, not for the value of the building. This is because the wedding barn formed part of cubicle house, which was already insured for £115,000 (£100,000 declared value and £15,000 inflation allowance).*

*NFU has accepted that it didn't do all that it should have done to establish whether the wedding barn was part of cubicle house when it was added to cover. Because of this, it is willing to settle Mr and Mrs H's claim in line with the policy conditions, without applying any restriction for the declared value which was detailed on the policy at the time of the claim. But based on the information it now has, it believes Mr and Mrs H are significantly underinsured. So, it wants to reassess the risk and charge the correct premiums before it settles the claim.*

*I've thought carefully about the evidence and arguments put forward by both sides. It's clear that there was a misunderstanding when the wedding barn was added to cover. I believe that Mrs H didn't intend to declare the value of the wedding barn as £10,200. But I also believe that NFU never intended to provide the level of cover it has now agreed to provide, based on the declared sums insured and the level of premiums it charged. So, in the circumstances I think it is fair that NFU wants to reassess the risk and recalculate the premiums before it settles the claim.*

*NFU has stated that it would be prepared to carry out a site visit to properly assess the risk. But Mr and Mrs H have, so far, not agreed to this taking place. Because of this, NFU has instructed a new loss adjuster to estimate the correct value at risk by assessing all of the available information on the claim file.*

*NFU's loss adjuster has estimated that the accurate value at risk for cubicle house, including the wedding barn, is £277,000. Based on this figure, and using a pricing index, NFU has recalculated the premiums it believes it ought to have received, based on the accurate level of risk. The loss happened in the 2016 policy year, so NFU would like the shortfall for 2016, 2017 and 2018 to be paid.*

*NFU says this shortfall amounts to £1,369.16. It says it is not prepared to waive this amount, but it is prepared to deduct it from the claim settlement rather than asking Mr and Mrs H to pay it upfront. NFU accepts that the estimated value at risk is not completely accurate. So, if Mr and Mrs H don't agree with the valuation and subsequent calculations, it is still prepared to carry out a site visit to complete a more accurate calculation.*

*Taking everything into account, I think NFU's offer to pay the claim once it can reassess the risk and recalculate the premiums is fair. And I think it has put forward two fair offers for calculating the premium shortfall.*

*So, if Mr and Mrs H agree to a site visit, I'm currently minded to decide that NFU should carry one out, establish the correct value at risk and recalculate the premiums. It can then deduct that amount from the claim settlement.*

*If Mr and Mrs H don't agree to a site visit, I think it's fair for NFU to base the premium shortfall on the calculations of its loss adjuster and deduct the £1,369.16 from the claim settlement.*

interest on the settlement

*NFU has accepted that it didn't do everything it ought to have done when Mrs H attempted to add cover for the wedding barn to their policy. This error means that Mr and Mrs H have been without the full benefit they intended to receive – and presumably would have received – had NFU done all it accepts it should have done at the time (subject to payment of the correct premium, which I've already said I think is fair for NFU to receive).*

*Because of this, Mr and Mrs H extended their business overdraft to cover repairs to the wedding barn. They were charged a fee for extending their overdraft and have been charged interest on the repair related purchases, which they wouldn't have been if everything had happened as it should have done.*

*NFU says it will reimburse Mr and Mrs H the overdraft fee and additional interest that they paid as a direct result of completing repairs to the wedding barn. But it says it will only consider paying interest on these amounts for the eight-month period where Mr and Mrs H had their overdraft limit increased.*

*Mr and Mrs H don't agree that this is fair. They've said the interest they've been charged on these expenses continues to accrue despite the increased overdraft being reduced to its normal level, and that it will continue to accrue until the amounts they've spent are reimbursed by NFU. Mr and Mrs H have also argued that NFU should pay interest on the settlement from the date of the fire. They've quoted articles from our service's website which say our general approach in most insurance claims is to award interest from the date of the insured event.*

*When our service awards interest on a claim settlement, we do so to compensate policyholders for being deprived of money they would otherwise have had to use for other things, such as investments or savings. Mr and Mrs H have rightly pointed out that the typical position of the courts, where payment of an insurance claim is delayed, is to award interest on the amount from the date of loss to the date of settlement. But for both the courts and our service, the power to award interest is discretionary. There is no set rule which states interest must be paid from date of loss in every case or claim.*

*Mr and Mrs H have acknowledged that as an ombudsman, I can depart from the law, provided I clearly state the reasons why I believe that to be fair and reasonable in the circumstances of this complaint. As I've stated above, I don't believe that by awarding interest from a different date to the date of loss would be departing from the law. But in any case, I will explain the reasons for the award I'm intending to make below.*

*Mr and Mrs H extended their overdraft by £15,000 to help fund repairs. All of the money they used to fund the repairs came from their overdraft, and so belonged to the bank. This means Mr and Mrs H haven't been deprived of their own money or lost the opportunity to gain interest on it through saving or investing. However, Mr and Mrs H have had to pay a fee and interest on the overdraft used to fund the repairs. So, I think it's fair that NFU should compensate them for this.*

*Therefore, NFU should reimburse Mr and Mrs H the overdraft fee of £225, plus any interest they paid on the repair related purchases. Interest at 8% should be paid on these amounts, from the point Mr and Mrs H paid them, because this is the point where they were deprived of their own money. The interest should be paid until the date of settlement, because Mr and Mrs H will remain without the use of that money until they receive the settlement.*

*NFU has stated that it will require further bank statements from Mr and Mrs H in order to accurately calculate the amount of additional interest they have incurred as a result of the repair related purchases only. I think that's reasonable.*

*trouble and upset*

*Our investigator recommended NFU should compensate Mr and Mrs H £500 for the trouble and upset it caused them, and NFU accepted this recommendation. Mr and Mrs H feel the compensation should be higher. They've said the claim has impacted Mr H's health and have provided a letter from his GP to support this. The letter states that up until 2017 Mr H had been in generally good health, but since then he has experienced numerous illnesses. The GP states that although it is impossible to say these illnesses are related to the stress of this claim, it could be a contributory factor.*

*I've thought carefully about Mr and Mrs H's argument here, including the GP evidence. But I think the fact the GP has highlighted that it is impossible to link his illnesses to the claim is important. I accept that there is a possibility that it could be a contributory factor. But equally, it may not be. I also don't think the sole reason the claim has taken as long as it has rests with NFU. I say this because NFU has been offering for many months to arrange a site visit so that it could move forward to assessing and settling the claim.*

*Overall, I think £500 is a fair and reasonable amount of compensation, taking into account everything that has happened."*

I said that Mr and Mrs H should let me know whether they would prefer NFU to arrange a site visit to recalculate the premiums or to accept its loss adjuster's calculations.

I said once I had Mr and Mrs H's answer, I was intending to direct NFU to assess and settle their claim in line with the remaining policy terms, and to pay £500 compensation for trouble and upset. I said I also intended to direct NFU to reimburse the overdraft fee and additional interest they had to pay on the repair related purchases, and to pay 8% simple interest on these amounts.

I asked both parties to provide any further evidence or arguments they wanted me to consider before I reached a final decision.

Mr and Mrs H provided a detailed response containing several points they didn't agree with. In summary they said:

- They feel NFU and its agent have been negligent. They feel a court would award the capital deficit, contingency losses and additional interest charges due to NFU's failure pay the full value of the claim on 19 May 2017.

- The FCA published results of a review into supervision of appointed representatives which found widespread shortcomings in sales practices, the suitability of recommendations and treating customer's fairly. They believe the statement made by NFU's agent is an attempt to mask his own negligence.
- The contract they entered into in November 2016 is subject to the Insurance Act 2015, including the duty of fair presentation. They believe they've complied with the Act as the information obtained by NFU's agent in February 2015 satisfied the duty of fair presentation in November 2016 because there had been no change in matters affecting the risk.
- They don't believe there is any legal justification, under the Insurance Act 2015, for being required to pay the premium shortfall. But they have said they would, at their expense, pay for their own independent valuation and pay the premium shortfall for the policy year when the claim took place – as a fair and reasonable compromise.
- Mr and Mrs H's bank have stated that they cannot identify the amount of interest charged for the repair related purchases only, so they are astounded that my decision suggests NFU will be able to if provided with further bank statements.
- NFU conducted investigations slowly and failed to settle the claim in a reasonable time.

NFU also responded to my provisional decision. It said it didn't agree that it should pay 8% simple interest on the repair related purchases. It said these costs were paid using an overdraft facility, so it didn't agree that Mr and Mrs H had been deprived of this money.

NFU also said it would agree to Mr and Mrs H providing their own valuation, providing it was completed in good time and a copy was sent to them directly by the surveyor.

### **my findings**

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable in the circumstances of this complaint. I've also considered the additional evidence and arguments put forward in response to my provisional decision.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to the outcome of Mr and Mrs H's complaint. But I've given careful consideration to all of the submissions made.

Mr and Mrs H still feel strongly that NFU has been negligent. They've argued that in law they are entitled to a refund of the capital deficit plus interest and any contingency losses as compensation for negligence. They've also highlighted a report from the regulator (FCA) which identifies several issues with agency sales and/or advice from around this time.

I've thought carefully about Mr and Mrs H's arguments. But our service assesses each case on its own merits. And as I explained in my provisional decision, I don't believe the setting of the sums insured for either cubicle house as a whole, or the wedding barn, was the responsibility of NFU or its agent. Based on what I've seen, the responsibility for setting these rested with Mr and Mrs H. I quoted several relevant excerpts of the policy document in my provisional decision to support this finding. So, I don't agree that the agent has been negligent in this case.



Mr and Mrs H have argued that the documents I've referred to only place the onus on them if they had concerns about the valuation. They say they didn't have any concerns as they trusted NFU's agent implicitly, having worked with him and his predecessor for decades.

I disagree that the policy documentation only places an onus on Mr and Mrs H if they're unsure about the valuation. In my view the information is clear that Mr and Mrs H needed to ensure that the sums insured were adequate.

Mr and Mrs H feel that any statements made by NFU's agent are questionable. They've said he is attempting to mask his own negligence. They say he provided the valuation for cubicle house and attended after the wedding barn was added to cover. They say they had worked with him and his predecessor for numerous years and so were entitled to rely on his advice.

I addressed this point in my provisional decision. The evidence here is contradictory, so I need to decide this on the balance of probabilities. As the policy documentation stated that setting the sums insured was the responsibility of Mr and Mrs H, I find it more likely than not that the agent would have told them this, as he's said he did.

In their response to my provisional decision, Mr and Mrs H have referred several times to the Insurance Act 2015, and in particular the duty of fair presentation. But in my view, this isn't relevant here because NFU isn't treating this as misrepresentation due to a breach of fair presentation of the risk. And nor is it seeking to proportionately reduce the settlement.

In this case NFU is saying that the wedding barn, and cubicle house in general, are underinsured, and that setting the sums insured was the responsibility of Mr and Mrs H. But NFU also accepts it didn't do all that it could have done to establish whether the wedding barn formed part of cubicle house when it was added to cover in 2016. So, NFU is prepared to settle the claim in full, with no deduction for underinsurance, providing it can first recalculate the correct sums insured, adjust the premiums accordingly and collect the correct premiums from the 2016/17 policy year onward.

Having considered all of the available evidence, I don't believe NFU intended to provide the level of cover it is now offering to, based on the sums insured declared at the time. And I also don't believe that Mrs H intended to value the wedding barn at £10,000 either. So, taking everything into account, I remain satisfied that a fair and reasonable solution in this case is that NFU can reassess the sums insured and charge an accurate premium before settling the claim without a deduction for underinsurance.

In response to my provisional decision, Mr and Mrs H said they didn't want NFU to carry out another site visit. And they didn't think it would be fair or appropriate for it to base any premium shortfall on the calculations of the loss adjuster either. Instead they said they would, at their expense, instruct an independent surveyor to provide a valuation. They said based on this valuation they would be prepared to pay the premium shortfall for the policy year in which the claim happened (2016/17).

I think Mr and Mrs H obtaining their own valuation is a reasonable alternative in the circumstances. But the accurate premium should be paid for the policy years 2016/17, 2017/18 and 2018/19. I say this because if everything had happened as it should have done, the increased premiums – and the level of cover NFU will be providing – would have applied in all of those years.

NFU has agreed to accept Mr and Mrs H obtaining their own valuation, providing it is completed in good time, which isn't unreasonable. But given the outbreak of coronavirus and the implementation of social distancing/lockdown, I'm not able to determine what a reasonable timeframe for this to happen would be – at the time of writing this decision.

So, in the interest of progressing matters as quickly as possible, and given the circumstances, the valuation should be completed and provided to NFU by the surveyor within two months of the end of social distancing/lockdown. Otherwise, NFU will be entitled to recalculate the premiums based on the estimated valuation of its loss adjuster and settle the claim in line with the remaining terms and conditions of Mr and Mrs H's policy.

Mr and Mrs H have asked whether settling the claim in line with what I've said above means they will receive what they've referred to as the capital deficit of £29,203. NFU says it will need to assess the invoices and proof of payment Mr and Mrs H have provided and make a decision on whether everything purchased should be covered by the policy. It is entitled to do this, which is why I am not directing it to pay a specific amount in settlement of the claim.

In my provisional decision I said NFU needed to reimburse Mr and Mrs H the amounts they spent on the repair related purchases, including any interest they were charged on these. Mr and Mrs H have questioned how it's possible to accurately work out the amount of interest they've incurred on the repair related purchases only. They've highlighted several reasons why this would be challenging and have also supplied letters from their bank stating that it would not be able to calculate the interest applied to a certain number of payments, only to the overdraft as a whole.

I appreciate Mr and Mrs H's concerns that it will be challenging to calculate the amount of interest they incurred on the repair related purchases only. But ultimately this is what I think NFU needs to do in order to deliver a fair and reasonable outcome, and NFU hasn't suggested that it can't do this. NFU has said it will require further bank statements from Mr and Mrs H, including those from the 12 months immediately before the claim, to help with its calculations. So, I think Mr and Mrs H should provide NFU with any bank statements it requests so that it can calculate this.

In response to my provisional decision NFU said it doesn't agree that it should pay 8% simple interest on the repair related purchases. It says these purchases were made using an overdraft, so Mr and Mrs H haven't been deprived of their own money.

It seems my provisional decision wasn't as clear as I intended it to be. I say this because I don't think NFU needs to pay 8% simple interest on these purchases and I didn't when I issued my provisional decision.

To be clear, NFU should refund the cost of the repair related purchases which it determines are covered by the policy. But it doesn't need to pay 8% simple interest on these amounts as they were paid using the bank's money.

NFU should calculate the amount of interest Mr and Mrs H have incurred on the repair related purchases, accepted as part of the claim, and refund this interest. On these amounts it should also pay 8% simple interest from the date(s) Mr and Mrs H spent the money until the date of settlement – to compensate them for being deprived of their own money to meet these costs.

NFU should refund the £225 overdraft arrangement fee. On this amount it should pay 8% simple interest from the date Mr and Mrs H paid this amount until the date of settlement – to compensate them for being deprived of their own money.

NFU should also pay Mr and Mrs H £500. This is to compensate for the additional distress and inconvenience they have suffered as a result of the things NFU ought to have done better.

Mr and Mrs H have interpreted a paragraph of my provisional decision to mean that I thought they were deprived of the full benefits their policy offered due to the negligence of NFU. They also feel NFU have conducted investigations slowly and unfairly delayed settling the claim.

I've already highlighted above that I don't believe NFU, or its agent, has been negligent. In this case, neither side seems to have done everything they ought to have done. I think Mr and Mrs H ought to have ensured that the declared value for the buildings were accurate – in line with the policy requirements. And NFU ought to have done more to establish whether the wedding barn formed part of cubicle house when it was added to cover.

Because of the misunderstanding that these issues have caused, the buildings in question were underinsured. This has affected the length of time the claim has taken to resolve and has meant Mr and Mrs H needed to fund the repairs using credit.

As neither side did all they should have, I think both sides are partly responsible for the distress, inconvenience and delays the issues caused. I've considered NFU's part in this when coming to the amount of compensation I'm awarding, as well as the interest I'm directing it to pay on the money Mr and Mrs H were deprived of as a result of the claim. And taking everything into account, I think these awards deliver a fair and reasonable outcome to Mr and Mrs H's complaint.

### **my final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Mr and Mrs H's complaint in part.

The National Farmers' Union Mutual Insurance Society Limited must:

- Recalculate the premiums based on the accurate sums insured calculated in either
  - The valuation provided by Mr and Mrs H's appointed surveyor – if provided to NFU within two months of the end of social distancing/lockdown
- Or, if not provided by then
  - The estimate put forward by its loss adjuster in February 2020
- Assess and settle Mr and Mrs H's claim in line with the remaining terms and conditions of their policy – less the premium shortfall for 2016/17, 2017/18 and 2018/19

- Reimburse the £225 overdraft fee and any interest Mr and Mrs H incurred on repair related purchases covered by the policy. Pay 8% simple interest on these amounts from the date(s) Mr and Mrs H spent the money until the date of settlement
- Pay a total of £500 compensation for trouble and upset

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 30 April 2020.

Adam Golding  
**ombudsman**