

Complaint

Miss C complains about Great Lakes Insurance SE's handling of a claim under her home emergency insurance policy.

Background

Miss C held a home emergency insurance policy, provided by Great Lakes.

In mid-November 2018, Miss C discovered a leak in her dining room and contacted Great Lakes to make a claim under her policy.

An engineer attended and said the leak was coming from the bathroom. Two days later, Miss C discovered she had no heating or hot water so she contacted Great Lakes again.

Great Lakes sent a second engineer, who identified the leak was coming from Miss C's boiler and said the first engineer should have checked this.

Miss C complained to Great Lakes, who accepted the first engineer should have identified the source of the leak and arranged for the boiler manufacturer (who I'll call "A") to replace parts in Miss C's boiler.

Miss C's boiler was repaired and Miss C went on holiday at the end of November 2018. On her return in early December 2018, Miss C discovered the leak had resumed and she contacted Great Lakes again. Great Lakes gave Miss C the contact number for A so she could get in touch with A directly. Miss C then spoke to A on a number of occasions, who told her it was waiting for parts which were difficult to source.

In early January 2019, Miss C complained to Great Lakes again as her boiler remained unrepaired. Great Lakes spoke to A, who said it was still waiting on parts. When the parts arrived, A failed to attend at a pre-arranged appointment at Miss C's property on 14 January 2019. Miss C's boiler was fixed by A the following day. Miss C says she was subsequently told the parts had arrived before Christmas but couldn't be fitted as they were second-hand and new parts later arrived without any fittings.

Unhappy, Miss C brought a complaint about Great Lakes to our service. She said her property had been damaged because of the leak. Miss C also said she'd been inconvenienced by having to take her children to her parent's house to bathe and to sleep on cold nights, missed days at work including a training course and spent over £80 on phone bills.

Our investigator recommended that Miss C's complaint should be upheld. She said she thought Great Lakes should pay for repairing the water damage at Miss C's property and reimburse her for telephone calls she made to A on receipt of phone bills.

Great Lakes asked for an estimate of the amount of the damage caused at Miss C's property and said it would expect an assessment to be carried out to determine what damage was caused before A became involved. Miss C subsequently sent us quotes for repairing the damage at her property, which were provided to Great Lakes. Great Lakes didn't accept our investigator's opinion.

Miss C's complaint was passed to me to decide and I made my provisional decision in May 2020. In it, I said:

"I asked Great Lakes for a copy of its claims notes, which our investigator didn't have sight of, to better understand what happened in this case. Whilst it's not in dispute that the first engineer should have correctly identified the source of the leak, I think it's helpful to set out the sequence of events in some detail before moving on to my provisional findings about;

- *what I think Great Lakes is responsible for;*
- *the damage at Miss C's property;*
- *the distress and inconvenience experienced by Miss C.*

The sequence of events

Miss C first reported a leak on 15 November 2018. Great Lakes' notes, under the heading "description of claim", show Miss C reported a fast leak was coming from above and damage had already been caused to the ceiling below.

Great Lakes says an engineer attended on the same day and thought the leak was caused by faulty sealant around the bath. However, when Miss C reported there was still a leak on 17 November 2018, a second engineer identified the problem was actually with the boiler and said replacement parts were required.

On 19 November 2018, Great Lakes confirmed the first engineer should have correctly identified the source of the leak during the initial attendance at Miss C's property. Great Lakes spoke to Miss C, who said her heating and hot water were working before the first engineer attended. Great Lakes' notes acknowledge the boiler had been left leaking for two days at this point because of the first engineer's error. Great Lakes advised Miss C she could pursue a claim through the engineer's insurance for any damage to her property. On the same day, Great Lakes spoke to A and asked it to carry out a fixed price repair on Miss C's boiler.

Great Lakes' notes from 21 November 2018 show Miss C's boiler was fixed and her heating and hot water were restored. However, the following day, Miss C contacted Great Lakes again to say there was a further leak at her property. Great Lakes said it would open a new claim and then spoke to A, who said it would contact Miss C directly. Great Lakes got back in touch with Miss C to update her about the situation.

Great Lakes' notes from 23 November 2018 state A had been in touch with Miss C directly and a further attendance had been arranged. Great Lakes' notes indicate Miss C had agreed to "call us if assistance is required".

After this, there was no contact between Miss C and Great Lakes for almost two and a half weeks. During this time, Miss C says her boiler was repaired again by A and she then went on holiday on 30 November 2018.

When Miss C returned on 7 December 2018, she discovered the leak had resumed. Great Lakes' notes show Miss C contacted it on 11 December 2018 and it provided her with A's contact number.

Miss C says she made multiple calls to Great Lakes around this time asking it to chase A, but was told she would need to deal with A directly. These calls aren't reflected in Great

Lakes' claims notes but, based on what Miss C has said, I don't doubt she did try to contact Great Lakes for assistance during this time. Miss C says she was also chasing A for an update on the progress of the repair but wasn't receiving promised call-backs and wasn't being given clear information about when the necessary parts were expected to arrive.

The next entry on Great Lakes' notes is on 7 January 2019 when Miss C called to say she had been chasing A directly but there was still a leak at her property. Great Lakes spoke to A, who said a further issue had been identified with Miss C's boiler on 12 December 2018 and it was waiting on parts to fix this. Great Lakes told Miss C it would chase A again the following day.

On 8 January 2019, Great Lakes updated Miss C to say A had confirmed the necessary part had been received and would be fitted by the end of the week. However, when A hadn't been in touch with Miss C by the following day, Great Lakes contacted A again and was told it was still waiting for a seal kit to arrive, and this needed to be re-ordered.

Great Lakes' notes show A was still waiting for the seal kit on 10 January 2019 and, on the same day, Great Lakes had a discussion with Miss C about the possibility of her claiming for any damage caused to her property from A directly.

Great Lakes spoke to A again on 11 January 2019 and it confirmed the final part had arrived. A told Miss C it would attend to fit the parts on 14 January 2019.

However, A didn't arrive at Miss C's property on 14 January 2019 and when Great Lakes spoke to A to confirm why, it said the appointment was booked for the following day. Great Lakes told Miss C that A had made an error in booking the appointment.

A attended at Miss C's property on 15 January 2019 and later confirmed to Great Lakes that the problem with Miss C's boiler had been resolved.

What I think Great Lakes is responsible for

The terms and conditions of Miss C's policy provide for Great Lakes to arrange for a suitable contractor to attend at the policyholder's property to carry out emergency work in certain emergency situations. A "contractor" is defined as:

*"A qualified person approved and instructed by the **claims helpline service** to undertake **emergency work**. (This may include a Local Authority in the case of Pest Infestation)."*

Longstanding industry rules and guidance say an insurer must handle claims promptly and fairly and provide reasonable guidance to help a policyholder make a claim, and provide appropriate information on its progress.

I can see from Great Lakes' claims notes that it told Miss C on 19 November 2018 she could pursue a claim through the first engineer's insurance. However, Great Lakes is responsible for the actions of the engineers it appointed to deal with the claim so I don't think it was fair for Great Lakes to attempt to direct Miss C's concerns elsewhere at that point.

Great Lakes says it engaged A on 19 November 2018 as this was the most cost effective solution. Based on the information I've seen, I think its clear Great Lakes appointed and instructed A to repair Miss C's boiler. At that point, Miss C still had an emergency at her

property which Great Lakes had a responsibility to resolve under the terms and conditions of her insurance policy. Miss C had no input into who Great Lakes sent to her property to resolve the emergency and Miss C had no contact with A until she was put in touch with it by Great Lakes.

From Miss C's point of view, the repair was being arranged by Great Lakes under the terms and conditions of her policy. So, while A might be a separate company to Great Lakes, I don't think it's fair or reasonable for Great Lakes to take the position that it's not responsible for anything that happened after this point.

Miss C was left in the position of having to liaise with A directly when, in my opinion, Great Lakes should have been continuing to progress and update her on her claim. I don't think Great Lakes left the claim in a satisfactory position on 23 November 2018 by telling Miss C she should contact it if any further assistance was required.

When Miss C reported a further leak to Great Lakes on 11 December 2018 after returning from holiday, I don't think it was reasonable for Great Lakes to provide her with A's phone number and leave her to contact A directly. As I've already explained, I think Great Lakes was responsible for dealing with Miss C's claim and ensuring it was successfully resolved. Regardless of whether this was the claim originally reported on 15 November 2018 or the new claim logged on 22 November 2018, Great Lakes instructed A and I don't think it was fair or reasonable for Great Lakes to leave Miss C to deal directly with a third party who she had no contractual relationship with.

I note Great Lakes did speak to A on a number of occasions in January 2019 to chase the matter for Miss C – this is what I'd have expected Great Lakes to do.

Overall, this means I think it is fair and reasonable in the circumstances to hold Great Lakes responsible for the entirety of what happened during the course of Miss C's claim.

The damage at Miss C's property

Great Lakes has mentioned Miss C could pursue its first engineer's insurer, A's insurer or her home insurer for the damage caused to her property.

Although these options may be open to Miss C, she has chosen to bring her complaint about Great Lakes, which she is entitled to do. So, I need to decide whether I think it's fair to hold Great Lakes responsible for the damage at Miss C's property – bearing in mind my conclusions about Great Lakes' responsibility for the entirety of the claim above.

There is no doubt that there was already damage to Miss C's property when she first reported the claim. This is recorded in Great Lakes' claim notes and Miss C described the leak as a fast one.

Great Lakes isn't responsible for any damage caused by the emergency (i.e. the initial leak) itself. While Great Lakes may not be able to guarantee an attendance within a specific timeframe – especially during peak times – I'd expect it to arrange for this without any excessive or undue delay. I note Great Lakes did arrange for engineers to attend at Miss C's property promptly when contacted about the leak on 15 November 2018 and on 17 November 2018.

But, I think Great Lakes is responsible for any additional damage caused by the first

engineer's and/or A's actions.

It's not in dispute that Miss C's boiler continued to leak for a number of days after the first engineer's attendance. Miss C then noticed the leak had re-commenced on 22 November 2018 and this was resolved by A by 30 November 2018.

When Miss C returned from holiday on 7 December 2018, she realised there was another leak. There is no way of knowing when the leak resumed – it could have been on the first day of Miss C's holiday or it could have been on the last. But, based on the fact A identified that further parts were required on 12 December 2018, it seems likely A didn't repair the leak satisfactorily in November 2018 as it should have done.

While Great Lakes didn't receive any contact from Miss C for over two weeks after 23 November 2018, I'm satisfied this was primarily due to Miss C being away from home between 30 November 2018 and 7 December 2018; so anything that happened at her property during this time was outside of her control. And, as I've already mentioned, I don't think Great Lakes managed Miss C's claim in an appropriate way by directing her to deal with A before she went away.

I note there was a delay by Miss C in reporting the leak to Great Lakes from her return on 7 December 2018 until 11 December 2018, and I have taken this delay into account when reaching my conclusions.

But there was a much longer delay by A in repairing the leak after Miss C returned from holiday; from 11 December 2018 until 15 January 2019. I have limited information about what A did during this time but, based on the evidence I've seen, I think there were unreasonable delays by A and I think Great Lakes could have offered to provide alternative assistance under Miss C's policy to resolve the emergency. I'm satisfied Miss C was doing what she could to chase the matter during this time, but I don't think Great Lakes was providing reasonable assistance to Miss C until it intervened and began chasing A from 7 January 2019.

Taking into account the timescales and the photographs I've seen of the damage at Miss C's property, I think it's likely this damage was made worse because of both the first engineer's actions and because of A's delays. While I appreciate some of the damage will have been caused by the initial leak, I'm satisfied a significant proportion of it is likely to have been caused afterwards.

Miss C has provided what seem to me to be reasonable quotes for repairing the damage to her floor and to her ceiling. Great Lakes has had the opportunity to inspect the damage at Miss C's property since the claim concluded in January 2019, but hasn't done so.

Having taken all of the circumstances into account, I think it would be fair and reasonable for Great Lakes to pay for repairing the damage at Miss C's property.

The distress and inconvenience Miss C experienced

I have no doubt Miss C experienced significant distress and inconvenience as a result of how Great Lakes handled her claim.

Miss C was left without heating and hot water for a number of days following the first engineer's attendance. Great Lakes' notes indicate, because the first engineer didn't correctly identify the source of the leak, the leak caused the heating and hot water to fail.

Miss C was subsequently left with no heating and hot water for over a month during the Christmas and New Year period. She had two young children at home and had to take them to her parent's house to bathe and sleep on cold nights.

Miss C was further inconvenienced and frustrated by being directed to contact A herself, when I think Great Lakes should have been progressing her claim for her under the policy she holds. I note Miss C estimates she spent over £80 on telephone calls to A. Miss C also missed a day at work because A failed to attend at her property on 14 January 2019.

I appreciate Great Lakes' notes don't mention Miss C was without heating and hot water while she was waiting for A to repair her boiler. I can't discount the possibility that Miss C did tell Great Lakes this but it wasn't recorded. Even if I accept Miss C didn't explicitly tell Great Lakes she had no heating and hot water during this time, Great Lakes was aware there was still an emergency at Miss C's property and I think it should have been making all reasonable attempts to resolve the problem instead of directing Miss C to contact A.

In deciding what compensation I think Great Lakes should pay to Miss C, I've taken into account what it has said about the value of the work carried out on her boiler. Miss C's policy schedule shows she has a policy limit of £250 for call-out, labour parts and materials for any one claim.

Great Lakes said it wouldn't take into account the first engineer's charges – which I think is fair. I have no evidence showing how much the second engineer's call-out charge was, but Great Lakes' notes show the fixed price repair arranged with A cost £255.

I can see, during a call with Miss C on 19 November 2018, Great Lakes appears to have explained it would be covering some of the extra costs involved in repairing her boiler, over and above her policy limit. Great Lakes has told us this amounts to either £149.00 or £164.20.

I've taken into account that Miss C has been compensated to some extent already by not having to contribute towards any costs of repairing her boiler over £250, which weren't covered by her policy. But I don't think this sufficiently compensates Miss C for the overall distress and inconvenience she experienced in the circumstances.

I think it would be fair and reasonable for Great Lakes to pay Miss C additional compensation of £350."

In summary therefore, I said I intended to recommend that Great Lakes should pay Miss C for the quotations for the work to repair the damage at her property (subject to confirmation from the suppliers that the work is going ahead). I also said I intended to recommend that Great Lakes should pay Miss C £350 compensation and reimburse her for the amount she spent contacting A, on receipt of her telephone bills.

Miss C accepted my provisional decision. Great Lakes said, while it disagreed with my findings that it was responsible for A's actions, it would not argue this point any further. Great Lakes said it would agree to pay the quote to repair Miss C's ceiling (£850) and compensation of £350, but this was not an admission of any failings.

In relation to the quote for replacing Miss C's flooring (£2,538.25), Great Lakes said it thought this was extortionate and it would like the opportunity to work with Miss C to rectify the damage at a more reasonable cost.

Great Lakes said it would be prepared to reimburse Miss C for any increase on her regular monthly telephone bill if she can evidence this increase.

My findings

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

The only matters which now remain in dispute are the quote for replacing Miss C's flooring and the cost of her telephone calls to A.

I think Great Lakes has already had more than a reasonable opportunity to inspect the damage at Miss C's property and/or to work with Miss C to put things right. Great Lakes could have done this as early as January 2019 but, instead, Miss C has been left with damage at her property since then.

I've seen evidence that quotes for repairing the damage were first sent to Great Lakes in December 2019, but it hasn't sought to dispute the amounts involved until now. Great Lakes has referred to the costs of replacing flooring in an 'average room' but, based on the photographs I've seen, I don't think it's fair to assume Miss C's room has the dimensions Great Lakes is quoting.

I'm satisfied Great Lakes has had more than a fair chance to inspect the damage, and to allow it to do what it is now proposing wouldn't be reasonable given how long Miss C has been waiting to have the damage repaired. Great Lakes' comments about the size of an average room don't persuade me that Miss C's quote is excessive or unreasonable.

In relation to Miss C's phone bill, Great Lakes should pay the costs of her calls to A. These are costs which she wouldn't otherwise have had were it not for Great Lakes' actions. It's irrelevant whether these costs are an increase on her previous monthly bills or not – they are costs which Miss C wouldn't have incurred if Great Lakes had handled the claim as I think it should have. Miss C has estimated the cost of these calls to A were £80. My provisional decision made it clear that Great Lakes is entitled to see evidence of these costs.

I've taken in account all Great Lakes' additional comments but, for the reasons I've outlined above, I don't intend to change my provisional findings.

My final decision

My final decision is that I uphold Miss C's complaint.

Great Lakes Insurance SE must do the following;

- pay Miss C for the quotations for the work to repair the damage at her property, upon receipt of confirmation from the suppliers that the work is going ahead;
- pay Miss C £350 compensation for the distress and inconvenience she has experienced;
- reimburse Miss C for the amount she spent contacting A, on receipt of her telephone bills.

Under the rules of the Financial Ombudsman Service, I'm required to Miss C to accept or reject my decision before 22 July 2020.

Leah Nagle
Ombudsman