

## **complaint**

Ms C has complained about her property insurer, CIS General Insurance Limited, in relation to a claim she made to it following a water leak.

## **background**

In March 2017 Ms C found a leaking pipe in her kitchen (situated below ground). CIS accepted the claim and a loss adjuster visited Ms C's home in early April. In May 2017 CIS's contractors began stripping the property and by July 2017 it was felt to be dry.

Ms C was living in the property with her family but the floor finishes in several rooms had been lifted and their belongings were stacked everywhere. CIS began paying a disturbance allowance because Ms C could only cook using a microwave.

Into September work hadn't started and then the contractor said the kitchen had a damp problem. It said Ms C had to carry out tanking work to the walls. This delayed things and reinstatement work was put on hold until January 2018. Further problems arose and the reinstatement work didn't start until September 2018.

In June 2018 Ms C and her family had been housed elsewhere. They returned home following completion of repairs in November 2018.

During the course of the claim CIS issued four final responses to Ms C, two of which after she'd already complained to us. CIS asked that we deal with everything as one complaint. In summary Ms C's concerns were; how long the claim took, that it was poorly handled throughout and that she was forced to carry out unnecessary tanking work.

CIS's responses can be summarised as follows:

- There were no avoidable delays caused by it between March and July 2017.
- It did cause delays between then and October 2017, so it paid £750.
- It would pay for a drainage inspection but felt any issues with the tanking were down to the work Ms C had carried out and not for it to resolve. It didn't think there was any needed for alternative accommodation to be provided as, following the strip out work, Ms C had been left with a working kitchen.
- Ms C's property had likely always been damp, it just hadn't been noticed before.

CIS did also, around March 2018, offer a further £300 compensation. But it then said it was withdrawing that offer. However, Ms C told our investigator that she had ripped up a cheque for £300 that she had received from CIS.

Our investigator felt that CIS should reimburse Ms C's costs for the tanking work, plus interest. She also felt it should pay a further £1,000 compensation.

CIS noted it had already paid a total of £1,050 compensation (£750 in October 2017 and £300 in April 2018). But it agreed to the investigator's suggested settlement.

Ms C said she felt the work should have been completed by July 2017. So in her view she'd spent more than a year resolving the claim which could all have been avoided, along with all the upset that went with it. Ms C said that really, the compensation would only cover extra costs she'd had regarding replacing a fire surround and a washing machine, the first lost and

the other damaged during the claim. Further, because of the tanking, she couldn't replace the fire surround on a like-for-like basis.

Our investigator asked Ms C for more details regarding the washing machine and fireplace and these were provided. Our investigator advised that, in order to take these two new issues into account, the ombudsman would likely issue a provisional decision. I did just that and, having told the parties I felt the complaint should be upheld, I also issued some further findings regarding the fireplace. My provisional and further findings were:

*"my provisional findings*

*CIS's first final response stated that there were, in its view, no avoidable delays to that point. Having seen its loss adjuster's file, I'm satisfied that is not the case. I think there were at least three weeks of delay caused by:*

- The leak detection company CIS appointed not receiving the instruction (this also caused Ms C to arrange for this herself).*
- Testing the hall and kitchen floor for asbestos at different times (rather than together).*
- The reinstatement contractor ignoring an asbestos report.*

*On 14 July the property was found to be dry. CIS has accepted that delays occurred in the months after this. I can see that despite instructions being given by and to the loss adjuster to manage the claim so as to avoid delays this just didn't happen. So Ms C's material choices hadn't been obtained by the time the drying completed, and start dates, along with necessary specialists hadn't been arranged either. Then the contractors wanted to do more work but their request wasn't picked up by the loss adjuster. From Ms C's perspective the contractors left site one day and she received no update or explanation until around three weeks later. When the loss adjuster did pick up this request it noted that no costs for the additional work had been submitted and it had to chase the contractor for this. The contractor should have known that any additional costs would have required authorisation.*

*On 24 August the additional costs were approved and work was booked to start on 4 September 2017. But only after further chasing by Ms C and the loss adjuster. The work didn't seem to get very far before it stopped again. Some enquiries were made around this time about a possible external drainage problem that Ms C might have to fix. On 20 September Ms C called the loss adjuster again to find out what was happening and why the contractors had not been back. She asked for the contractor to be changed. The loss adjuster noted this request but by the end of October it, and the company managing the works, were still debating the issue.*

*For the period from July to October, and despite some protestations by the contractor, CIS accepted it had failed Ms C. It offered £750 compensation. During this time the loss adjuster had also accepted that Ms C had been unable to use the kitchen since 8 May 2017 and had started paying a disturbance allowance. The fact the kitchen couldn't be used was also reflected in a contractor's report issued in August 2017. Despite this, when the state of the house came up for review in CIS' third final response issued in March 2018, CIS found that Ms C's kitchen had been usable. It seems this finding was based on information received from its strip out contractor in May 2017. If that had been the only evidence then I might have understood CIS' position. But in light of all the evidence it had available I think its conclusion was unreasonable. I'm also conscious of the report that it was difficult to move around the house because floor finishing's had been lifted, making the floors uneven and items were stored and stacked throughout. The adjuster noted that this made things*

*particularly difficult in Ms C's circumstances given that two of her children use walking aids.*

*By mid-October 2017 there were still delays occurring with the contractor and there was still no start date for works. The start date was then set for the end of October 2017. In a pre-start assessment visit on 23 October the contractor found that all the walls in the kitchen were damp. The contractor said Ms C was going to find a contractor to resolve this. Ms C has complained that the contractor recommended someone but then further delays occurred. She had the work done in December and in January sent proof of the work so the insured reinstatement work could resume. Regarding November and December it isn't clear who caused delays. But the claim was clearly delayed by the contractors to the point on 23 October when the damp was found.*

*Even in finding the damp I think CIS failed Ms C. No formal report was done on the damp at this time. Only its contractor gave advice, and that verbally to Ms C. Ms C is convinced the walls were only damp due to the protective floor layers having been stripped out. I think that, given internal walls were affected as well as external, she may have a point. But it also seems clear that there was no initial issue with drying the property – I think it's likely that if the property had been inherently damp from the outset this would have prevented it from being dried. So either leaving the property with no damp protection over five or six months caused the walls to become damp – in which case sealing the floor and drying would have resolved the issue. Or, something had changed outside the property in the interim since it had been dried, and in that event CIS couldn't have completed the insured repairs without resolving the damp. Meaning either way CIS is responsible for the cost of tanking that Ms C carried out. I think CIS needs to reimburse her costs, plus interest\* from the date Ms C paid for the work until settlement is made.*

*Once the work to the walls was done the floor needed drying. Given its protective layer had been lifted the year before and the property had been left without protection on the flooring through the winter months it doesn't surprise me that further drying was required. But this could have been avoided if the claim had been handled better. I also note that, at one stage at least, CIS felt it wasn't responsible for reinstating the floor – despite all the expert reports and knowledge that it had lifted the damp protection during the strip out works. It did eventually accept liability for doing this and that happened sometime after the floor was found to be dry in late March 2018.*

*Having to organise and carry out this work, and deal with getting the floor sorted afterwards – including further drying, all caused further upset for Ms C and delay for the claim. I'll be taking that into account when I look at compensation.*

*On top of that, whilst CIS did cover the cost of damp proofing the floor, it said it was only doing so as a goodwill gesture. That despite it having removed the previous protection as part of the strip out works. Into April CIS began looking to move Ms C and her family out of the home and it also became apparent that protecting the property wasn't going to be as simple as sealing the floor. Further expert advice on the issue had to be sought. In my view, whilst I accept that such expertise was necessary, all of this could have been investigated and organised whilst the floor was being dried. It was 17 May 2018 before a report was obtained and 25 June 2018 before the loss adjuster reported back with an update on what this meant for the claim and Ms C. I think further delay occurred as result of this and I can understand that Ms C's frustration around this time was intense.*

*Not least because the response from the adjuster was to tell Ms C that CIS expected her to pay a further £4,286.80 towards preventative repairs that were felt to be necessary in order*

*for the insured work to be carried out (it felt her tanking work needed rectifying). The adjuster said that in light of this, and that the accommodation Ms C was staying in was only on a six month lease, it felt a cash settlement should be offered to allow her to resolve all the work. After everything that had happened I completely understand the immense upset this caused Ms C. And the adjuster even wrote in the email that without the preventative work the repairs wouldn't be effective. Insurers and the loss adjusters that work for them know that carrying out a satisfactory repair means ensuring the repairs are effective. Attempting to make Ms C pay for preventative works and trying to settle in cash at this point, for this reason, was in my view unfair and unreasonable.*

*It seems that whilst the damp issue was being investigated Ms C had been left to try and find somewhere else to live and this proved difficult. Some input from a policyholder is needed in this respect – but I think some better assistance could and should have been given to Ms C in the position she was in here. On top of that, during a call on 12 April the loss adjuster told Ms C that it was still waiting for her to carry out the tanking work. Ms C was clearly and understandably very upset and frustrated by this comment. When she emailed the loss adjuster regarding this, and the problems she was having finding somewhere to live, further assistance was given.*

*By 1 May a property had been found and authorisation for booking was granted by the loss adjuster. It was also agreed that CIS would pay for everything – including the deposit. This is something the insurer usually expects the policyholder to pay as its purpose is to ensure the property is well maintained. Unfortunately, due to a change in circumstances of the landlord of this property, the booking fell through. I accept this must have been wholly frustrating for Ms C, but it isn't something I can blame CIS for. A property was found in June 2018 and the family moved out of their home.*

*CIS did then agree to finish the works, rather than settle in cash. Further delays occurred over the summer months and work finally started in mid-September 2018. I can see that meetings were needed during this period and that trying to arrange all the different relevant persons was somewhat difficult. I see new scopes were needed too. But this claim had already gone on for far too long – a further three months before starting, at this point was, in my view, unfair.*

*The works were completed though before the lease on the accommodation ran out and Ms C and her family moved home on 23 November 2018. In my view, this claim took far too long and in the main due to failures and delays by CIS. If it had been handled better from the outset with more forward planning and an acceptance that it needed to carry out preventative works, I don't see why, and given the property was initially found to be dry in July 2017, works shouldn't reasonably have complete by the end of March 2018.*

*Over a period of months during the claim there was also an issue with a missing key for the house. This was reported by Ms C and the contractor confirmed it couldn't find the key. Ms C asked that the locks were replaced but nothing was authorised until May 2018. On 29 May 2018 the adjuster told Ms C she could either have the locks changed and provide a receipt for reimbursement, or the reinstatement contractors would do it when they started work. The adjuster accepted this should have been done before. I accept this caused Ms C some worry.*

*During the claim some contents items went missing. Ms C worried they'd been stolen. The contractor confirmed this hadn't happened. CIS paid for replacements. I think Ms C's items could have been better looked after and she was likely caused some frustration with things*

*coming up missing. But I note that replacement costs for these items were offered with little question by the adjuster. I think that was a reasonable response in the circumstances.*

*Ms C has also reported that her washing machine was damaged and that she had to replace her fire surround. Also that she can't put the same type of fire surround back in.*

*I can see the loss adjuster considered whether to pay for a replacement washing machine. But whilst Ms C reported that she thought the removers had damaged it, it had been disposed of without proof of the fault being determined. I think the adjuster's refusal to pay for this was reasonable. And in saying that I'm aware that Ms C herself reports that the machine was old and coming towards the end of its life anyway. So it isn't clear that it was most likely damaged by the removers.*

*Ms C says the fire surround she had was cast iron and heavy. It was placed outside during the works and disappeared, presumed taken by a scrap merchant. The contractors should have taken better care of the item. If Ms C's costs for purchasing a replacement haven't been reimbursed by CIS I think it they should be. I know Ms C had to buy a different type of surround as the tanked walls won't allow for a cast iron type surround to be put in place. That is unfortunate and I know it upsets Ms C that she can't have a surround of her choice in the room anymore. But it's by no means clear that the tanking was unnecessary. It's possible the damp in the walls was caused because the floor protection was lifted, but it's equally possible that something had changed meaning the flat was now subject to damp. As there are two likely possibilities, one of which isn't CIS's fault, I can't reasonably blame it for the upset the different surround caused Ms C.*

*Having taken everything into account, and given how much Ms C has been through I do think total compensation of £2,000 is fairly and reasonably due.*

*I note that CIS thinks it has already paid £1,050 of this sum. I'm not persuaded this is the case. The only references I've seen to the £300 (plus £750 making up the total of £1,050) are set out in my background. Whilst what exactly happened regarding this amount being offered and/or paid is unclear, I'm satisfied that Ms C hasn't had the benefit of that sum. Unless CIS can show me otherwise, and if my final decision remains the same and Ms C accepts it, it will have to pay her £1,250 (my award of £2,000 less the £750 I'm satisfied it has already paid).*

*My further findings regarding the fireplace*

*Ms C told us she'd spent around £250 on a new fireplace. She said she'd bought the basics from a supplier and bought materials to finish/finesse it. She said she didn't have receipts but could evidence the purchase on her bank statement, which she sent to us. Ms C pointed to two relevant transactions from early November 2018 which totalled £276.09.*

*I know the reinstatement work was finishing off in November 2018, with the family returning home later that month. And it makes sense that Ms C would have wanted this issue resolving at that time. With everything going on I can understand why receipts aren't available. I haven't seen anything that makes me think Ms C didn't purchase or install a fireplace. Whilst I'll consider any comment CIS has to make on this, if it should have any objection it wants to raise, I'm currently minded to make it reimburse this cost, plus interest."*

*Ms C said she was happy with the awards I'd suggested: reimbursement of the tanking and fireplace costs, plus interest, and an additional £1,250 compensation. CIS said it had no*

comment to make.

### **my findings**

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

As the parties are happy with my provisional findings, or at least haven't raised any objection to them, I see no reason to move away from them. My provisional findings, including those made regarding the fireplace, are now the findings of this, my final decision.

### **my final decision**

I uphold this complaint. I require CIS General Insurance Limited to:

- Reimburse Ms C's cost to tank her kitchen, plus interest\* from the date she paid for the work until settlement is made.
- Reimburse Ms C's cost to replace her fire surround – £276.09, plus interest\* from the date she paid the sums that make up this amount (£146.09, 6 November 2018 and £130.00 on 13 November 2018), until settlement is made.
- Pay Ms C an additional £1,250 compensation (making my total award £2,000).

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 10 November 2019.

Fiona Robinson  
**ombudsman**

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. If CIS General Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from any interest due to Ms C, it should tell her how much it's taken off. It should also give Ms C a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.