

complaint

Mr C has complained about the delays he's experienced as a result of the way Ageas Insurance Limited (Ageas) has handled his claim for damage caused to his property by an escape of water from a newly installed boiler.

background

In June 2017 Mr C found water leaking from the boiler in his kitchen. He emailed the company that had installed the boiler and asked them to refund the full cost of the boiler, install a new kitchen worktop and boiler housing cupboard unit, and redecorate the kitchen.

A month later the company asked Mr C to contact his insurers about the claim because of the extent of the damage. He emailed his insurers who accepted the claim under the escape of water terms, and they sent a loss adjuster to visit the property.

In December 2017 Mr C complained to Ageas about the delays he'd experienced in having his claim settled. Ageas sent him a scope of repair in January 2018 and offered £750 in compensation for the delays, which Mr C accepted. However, Mr C continued to experience delays in having the claim settled, and the works were finally completed in May 2018.

Mr C asked Ageas to cover costs totalling £13,686.71 which he said were incurred as a result of the delays. The compensation claim he's made is comprised of the following:

1. cost of the boiler: £3,270.00;
2. insurance excess: £250.00;
3. distress and inconvenience: £2,000.00;
4. time taken from employment: £3,239.30;
5. cost of additional calls on his mobile phone: £50.00; and
6. loss of rental income: £4,877.41.

Ageas didn't accept responsibility for the costs Mr C claimed, so, in August 2018 he brought his complaint to our service. Our investigator looked into the complaint and issued her view on 14 June 2019, upholding the complaint and recommending a further £250 compensation be paid to Mr C for the inconvenience.

In response to our investigator's view, Ageas offered £500 compensation to Mr C, on 19 June 2019. This offer was passed on to Mr C, by our investigator on 28 June 2019, but Mr C declined the offer on the basis that he felt the consequential losses he'd set out were reasonable. The complaint was then passed to me for a decision to be made.

my findings

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

Any settlement of an insurance claim for damage to property will usually cause some inconvenience and there are a number of factors that can lead to delays in claims being finally resolved. Before I can award compensation to Mr C for the costs he's claimed, I need to be satisfied that the losses he's claiming for were due to avoidable delays caused by Ageas.

On 5 January 2018, Ageas's complaint handler issued a final response letter to Mr C, saying that the main delay appears to have come about through the inability of contractors to undertake full strip out works in a timely manner. He offered Mr C £750 compensation for the way the claim had been handled up to that point in time.

On 6 January 2018, Mr C confirmed he was minded to accept the offer of £750 but subject to satisfactory completion of the works and no further damage being caused by the contractors. He also reserved his right to raise a further complaint and request compensation if the works weren't completed to his satisfaction. Mr C then raised a further complaint about the delays that took place after this time, which are the subject of this decision. I will therefore only be considering the delays that took place after 6 January 2018 in this decision.

The case file indicates that from early March 2018 until early May 2018, Ageas' agents were trying to source a replacement carousel corner unit from a supplier in Germany. On 7 May 2018, Mr C provided information to Ageas' agents to help them obtain the kitchen unit, which was finally obtained by 15 May 2018. The works were completed on 21 May, Mr C listed the property for rent the following day and a tenant moved into the property on 2 July 2018.

the cost of the boiler

Mr C has claimed £3,270 for the cost of the boiler, so I've first considered whether the policy terms and conditions provide cover for the replacement. The list of landlord's contents, which are covered by the policy, does not include a boiler. And cover for a replacement boiler doesn't appear in any other section of the policy. As the policy doesn't provide cover for damage to this item, I don't agree that it's reasonable to require Ageas to pay Mr C the costs he's claimed for the boiler.

excess payment of £250

Mr C has also claimed the £250 excess due under the policy terms and conditions. Ageas agreed to pay this to Mr C once it had been collected from the company that installed the boiler. Ageas have now confirmed that the excess has been returned to Mr C.

mobile phone calls

On 26 April 2019 our investigator requested evidence from Mr C for the costs he claimed for mobile phone calls. She again requested this evidence in the view issued on 14 June 2019, however no evidence has been provided. I can consider making an award for compensation for costs incurred where evidence of those costs has been provided to us. But, as Mr C hasn't provided any supporting documentation for the £50 claim for these calls, I won't be awarding compensation for those costs.

time taken from employment

Mr C believes compensation is due to him for the time taken from employment to deal with his claim. However, despite being asked by our investigator to provide evidence of the time spent, and what it was spent on, Mr C has not elaborated on this. So, I've considered the evidence on the case file which refers to Mr C missing time from work. The available evidence indicates that Mr C had to spend some time waiting at the property for contractors to arrive. And it also suggests Mr C had to do some research to help locate a supplier of the kitchen's corner cabinet. Having thought about this evidence carefully, although it demonstrates Mr C has suffered some inconvenience, I don't think the inconvenience was significant enough for us to ask the business to pay any compensation.

loss of rent

Mr C has told us that he objected vehemently to residing at the property following the damage to, and removal of the kitchen. He says the kitchen was hazardous owing to the fact the sink was propped up on stilts. Mr C did confirm to our investigator that he was able to cook in the property. He also said Ageas would only cover one night's accommodation, so, he had to stay at the property, and at his mother's home while the claim was being settled. Mr C moved into a new property on 2 February 2018 but said he couldn't list the property for rent until the kitchen works were completed in May 2018. And, during that time he had to cover the mortgage payments while it was vacant.

In considering this compensation claim, I note that Mr C hasn't made a claim under his policy for loss of rent, so that isn't something Ageas have specifically commented on. I also note the policy terms and conditions provide cover for loss of rent, where a house is damaged so it cannot be lived in. The terms also say that a copy of the tenancy agreement would need to be provided in support of any claim. As Mr C was able to live in the property during the time the damage was being repaired and as no tenancy agreement was in place at any time during the period that the claim was being settled, it seems unlikely that Ageas would have accepted a claim for loss of rent under the policy terms. However, I've thought about the fact that Mr C listed the property for rent, the day after the works were completed, and a tenant was found two months later. So, I've considered below whether any avoidable delays on the part of Ageas have caused Mr C inconvenience.

distress and inconvenience

It took Ageas approximately ten weeks to source and obtain a unit needed to repair the kitchen, from Germany. I understand that Mr C required the exact unit to be replaced, so it's arguable that the time spent sourcing and obtaining the parts was unavoidable. However, ten weeks seems to me to be a long period of time to source and obtain a unit from Germany. So, I think there was likely some element of avoidable delay here, on the part of Ageas. However, I think that the £500 compensation offered by Ageas is sufficient to fairly and reasonably compensate Mr C for any inconvenience he's suffered by that delay and settle his complaint. So, my decision is that Ageas should pay Mr C the £500 compensation they've offered, to fairly settle his complaint about the way they've handled his claim.

my final decision

Ageas Insurance Limited has offered to pay Mr C £500 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Ageas Insurance Limited should pay Mr C £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 April 2020.

Carolyn Harwood
ombudsman