

complaint

Mrs B is unhappy with the way in which Admiral Insurance Company Limited has dealt with her home insurance claim following an escape of water.

background

Mrs B had a leak from a pipe under her bath. Admiral accepted the claim and commenced strip out works to repair the damage. A claims handler and contractor were appointed. The drying company issued a certificate confirming that the damage from the leak had been dried.

Admiral's contractors started work. They were concerned that there were some raised damp readings at the base of the walls. The drying contractor came back in. It said that the damage caused by the leak was dry, as were the walls, although there was evidence of a historic damp problem with the floor. It said there was nothing further for it to do as the area damaged in the leak was dry.

Admiral had concerns that the ground floor didn't have an appropriate damp proof course. It was concerned that it wouldn't be able to guarantee a lasting repair if it was to fix the insured damage. So, it offered to cash settle Mrs B's claim.

Mrs B didn't want to accept a cash settlement. She complained to Admiral but was unhappy with its response. So, she bought her complaint to this service. Our investigator recommended that Mrs B's complaint be upheld, and that Admiral complete the repair rather than cash settle.

There then followed further settlement discussions where, amongst other things, Admiral offered to pay an amount toward Mrs B fixing the alleged underlying damp problem, following which it would then complete the insured damage repair. Mrs B said that there wasn't a damp problem to fix and that she wouldn't be appointing her own contractors. Admiral then reverted to offering a cash settlement.

As agreement couldn't be reached, the matter was passed to me for decision. In advance of this final decision, I issued a provisional decision to the parties in which I said I intended to uphold Mrs B's complaint. Neither Mrs B nor Admiral responded.

my findings

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

I've set out my provisional findings below. Given that neither party sent any further evidence to me, I see no reason to change my findings. I therefore confirm my provisional findings are now final and form part of this decision.

'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.

Having considered the evidence provided to us, the only evidence of there being any damp in the home is the drying company's report. That states:

'Attended site as builders discovered elevated moisture readings at base of wall and skirting boards. I have taken further moisture readings which showed areas to be at acceptable levels to wall, however, in depth WME readings to floor are at saturation point. I removed skirting from boxwork to pipes and cut access hole to for inspection, no leaks were evident. Salts test was then carried out to floor, which indicated high presence of nitrates, suggesting property suffers from hereditary damp issues. Thick adhesive has been used on top of concrete base, which I believe has been used to act as a moisture barrier. This, in my opinion, is why builders were getting high moisture readings to bottom of skirting boards. Salts test was also carried out to base of wall which indicated slight presence of nitrates. In conclusion, high moisture readings are down to hereditary damp issues within property and are not incident related. No further works required by

The nitrates were identified after the property was initially certified as dry. And only when the contractors appointed to do the work found the skirting boards and bottom of the wall to be showing a higher than normal damp reading. The damage done by the bath leak is principally to the downstairs ceiling and the upper sections of the walls. A drying certificate has been issued for those areas which are effectively ready to be repaired. And the report from the drying company indicates the walls are dry.

The alleged damp on the floor appears to have held everything up for what is now over a year. Mrs B has said that she won't hold Admiral responsible if any damp from the floor is to cause any damage to the repairs once completed. She doesn't want to have to pay to fix something that there's no evidence is a significant problem. She's been in the property for over two years now and has not had a problem with any damp from the floor. And she says that she's since had someone out to consider replacing the floor and they didn't think there was anything that needed doing.

Having considered everything, I don't think Mrs B's position is unreasonable. Some trace nitrates do not, in the absence of professional evidence to the contrary, persuade me that this is a problem that needs fixing before Admiral are able to complete the repairs required under Mrs B's insurance policy. The damage done by the leak is principally to the top of the walls and the ceiling. And it's those areas that remain stripped back to the bricks since the drying company were in. That's not an appropriate way for Admiral to have left Mrs B's home.

I appreciate that Admiral don't think it's fair for me to require them to carry out work where their contractors won't be able to guarantee a lasting repair. And they're also concerned that anything they do may lead to an ongoing problem. But I don't think this is a fair and reasonable approach for it to take. The drying company were initially able to confirm that the damage from the leak was dry. And I've seen no evidence that Mrs B has damp carpets or any evidence of an ongoing damp problem to the walls – like black mould or the like.

I understand that the way the floor of the property has been designed may have lacked the appropriate damp shielding. But this doesn't appear to have caused Mrs B any other problems that are evident from the pictures and testimony that she's provided to us.

All in all, I feel that a pragmatic approach should have been taken to this repair way before now. Mrs B has been left with an unrepaired home for far too long. It's my conclusion that Admiral should now appoint new contractors to complete the repairs at the earliest opportunity. And if she is to accept this decision, Mrs B will be taken to confirm that she agrees not to take any action against Admiral for any future problems caused by damp from the floor, if any.

Admiral has also said that it doesn't think it elected to repair Mrs B's property. So, it still wants to make a cash settlement. I disagree. The walls were stripped back to the brick to aid

drying, a drying certificate was issued, and the contractors turned up to start work only for it to be put on hold for the alleged floor damp. In my view the work had started, and Admiral is now obliged to finish it.

Mrs B's claims handling experience before this matter came to this service wasn't good. Admiral accepted this and has offered her £100 compensation. Given the way that Mrs B has effectively had to drive this claim forward and for the trouble and upset she's clearly experienced, I don't think that sum is enough. I think a further £200 compensation should be paid, making a total of £300.

I understand that Mrs B has banked Admiral's cheque for the cash settlement. Before Admiral have to carry out the repairs that I'm requiring of it in this decision, Mrs B will first have to return that payment in full to Admiral.'

my final decision

It's my final decision that I uphold this complaint against Admiral Insurance Company Limited. I require that Admiral do the following:

Upon return of the cash settlement by Mrs B to Admiral, I require that it appoint new contractors to complete the repairs to Mrs B's home caused by the insured incident and the strip out and testing works. It should also pay her £300 compensation for the trouble and upset caused.

For the avoidance of doubt, the compensation should be paid within four weeks of Mrs B accepting this final decision, even if the works do not proceed because Mrs B doesn't pay back the cash settlement. If compensation is not paid in time, interest must be paid on that sum at 8%* simple a year until it's paid.

*Her Majesty's Revenue & Customs requires Admiral to take tax off any interest that it pays Mrs B. If she requests it, Admiral should provide her with a certificate showing how much tax it's taken off so that she can reclaim it if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 January 2020.

James Kennard
ombudsman