

complaint

Mr and Mrs H don't think that the compensation Allianz Insurance Plc (Allianz) has offered them for the way it dealt with their claim is enough for all the trouble they've had.

background

I issued a provisional decision on this complaint last month. A copy is attached. In that I said I was minded to increase the amount of compensation Allianz should pay, given the poor way it had handled Mr and Mrs H's claim.

my findings

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

Allianz didn't have anything more to add.

Mr and Mrs H have pointed out that they were away from home for nearly seven weeks, not three when the remedial work was finally carried out. They say some of this time was spent in an apartment, as well as in a hotel. They haven't asked, however, for the compensation to be increased further.

I've re-considered the situation but I don't think it warrants additional compensation, as I wouldn't have recommended a higher amount if I'd known about additional length of time they were away from home. That's because I'd already taken into account the upheaval moving out and back in caused.

Overall, I see no reason to change my provisional decision.

my final decision

My decision is that I uphold this complaint. I order Allianz Insurance Plc to pay Mr and Mrs H £1,500 compensation for the way it handled this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 11 April 2016.

Sue Peters
ombudsman

copy of provisional decision

complaint

Mr and Mrs H don't think that the compensation Allianz Insurance Plc (Allianz) has offered them for the way it dealt with their claim is enough for all the trouble they've had.

background

Both parties know what's happened in this long running claims problem so I won't go into much detail.

In late 2012 Mr and Mrs H reported damage caused by a water leak to Allianz. The repairs were undertaken in early 2013 and Mr and Mrs H spent four weeks in a hotel whilst that was done. Shortly afterwards they complained about the standard of work and some corrective work was carried out.

About a year later Mr and Mrs H said there were problems with the repairs and water was again leaking. They were told to get a report on what was happening – and a plumber concluded that the pipework hadn't been fitted correctly and that waste concrete had been left in a pipe.

After this there was a long saga of contact between the insurer, the loss adjusters, the contractors who actually did the work and various other interested parties – although not much contact with Mr and Mrs H unless they were chasing Allianz. Eventually, in mid 2015, Mr and Mrs H had to move into a hotel for about three weeks whilst a new contractor re-did the work.

Allianz offered Mr and Mrs H £750 compensation for the trouble they'd had. Mr and Mrs H didn't think that was enough and complained to us. We recommended increasing the compensation to £1,000 but Allianz didn't agree.

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.

This complaint is about the level of compensation Mr and Mrs H should be offered. I'm going to ignore the sums that have been mentioned already and instead look at all the things that have happened in this claim and whether the problems experienced by Mr and Mrs H could have been avoided. Those are:

- ☐ Mr and Mrs H were in a hotel for four weeks for the first repairs even though they were told it would be about a week. I can't see they were told why.
- ☐ They had to ask Allianz to contribute towards their extra expenses and Allianz gave them £300 – so about £10 a day between them. That's about half what I'd expect.
- ☐ Immediately after the work was done Mr and Mrs H had to get remedial work done. I've seen the photos of the way their home was left – including nails sticking out of walls. That's not satisfactory – but at least it was rectified.
- ☐ About a year later problems started again – and this time it involved more water and noxious smells. That must have been very unpleasant for Mr and Mrs H. It took about 15 months for Allianz to sort this out.
- ☐ During all of this time it seems that Mr and Mrs H didn't have full bathroom facilities – because much of the argument was about a badly fitted shower. So they've been put to considerable inconvenience, let alone having to put up with the disruption and smell.
- ☐ When the remedial work was finally done Mr and Mrs H were in a hotel for about three weeks, something that shouldn't have been necessary at all. The allowance for expenses was £280, which is again less than I'd expect.
- ☐ Throughout, there have been numerous occasions where Mr and Mrs H have been

promised updates that didn't happen.

I appreciate that Allianz wanted to get to the bottom of the problem, and I can see from the internal notes that Allianz was struggling to get its agent to deal with the issue properly. One contractor made allegations that it only did the work the (incorrect) way because Mr and Mrs H insisted. But it then couldn't substantiate that. That issue wasn't even raised for many months. Overall, the handling of this claim, especially the second part, looks like a desperate attempt to avoid taking responsibility for poor work.

None of this is Mr and Mrs H's fault. Allianz appointed the agents and contractors, so their actions are its responsibility.

I can also see that Mr and Mrs H had to pay for a plumber - £250 – which wasn't refunded for more than a year. Allianz has refunded that, but I think it should have added interest at 8% per annum to the payment, as compensation for the fact that Mr and Mrs H had lost the use of this money. That would mean it matched the approach Allianz took when it refunded the second £400 excess payment it incorrectly asked Mr and Mrs H to pay.

Allianz says it's accepted responsibility for the trouble and upset it caused – but only from March 2014 to July 2015. It argues that Mr and Mrs H weren't suffering for the previous year – because they didn't know there was a problem. I'm not convinced by that argument, as the file shows that a contractor had been out on a couple of occasions to try to patch up the original work. Allianz might not have known about this, but it's clear to me that Mr and Mrs H were having problems from mid 2013 onwards.

Standing back and looking at this complaint it seems to me that Allianz and its contractors have caused Mr and Mrs H a minimum of 15 months – but more likely over two years – of unnecessary distress. It seems to have allowed its contractors to come up with excuse after excuse for not correcting their mistakes. It's done that whilst knowing that Mr and Mrs H are an older couple so are likely to have been more affected by the problems. A sensible approach could have meant the problem was put right within a few weeks.

I currently think the compensation should be increased to £1,500. I think that's a fair way to compensate Mr and Mrs H for the trouble they've had, the extra costs they've suffered, the less than ideal circumstances they've had to live with and the inconvenience of having to stay in hotels when they could have been in the comfort of their own home.

my provisional decision

My provisional decision is that I'm minded to uphold this complaint and order Allianz Insurance Plc to pay Mr and Mrs H £1,500.

Sue Peters
ombudsman