

complaint

Mr and Mrs B have complained about the decision made by St Andrew's Insurance plc in relation to their claim for damage to their property following a lightning strike.

background

The timeline of this claim and complaint is long and complex and well known to both parties. Therefore, I do not intend to set out all the events over the life of the claim here. In brief, in mid-2011 Mr and Mrs B made a claim to St Andrew's under their home insurance policy, following a fire caused by a lightning strike to their neighbour's property. Extensive water damage was also caused to the property during the course of the fire brigade putting out the fire.

St Andrew's accepted the claim and appointed contractors to undertake the repairs. However, there were numerous issues with the works that were carried out and Mr and Mrs B had cause to complain about the quality of the repairs. St Andrew's inspected the works and it was agreed that some of the work had not been completed to a satisfactory standard and remedial works would have to be undertaken.

Ultimately, it was agreed that St Andrew's would meet quotes obtained for Mr and Mrs B's own contractors to carry out the works. However, after payments were made to conclude the claim, Mr and Mrs B made a complaint as they were not satisfied that all repairs had been covered by the settlement. They were also dissatisfied with the compensation offered for the inconvenience caused by the poor repairs and the handling of their claim.

They pointed out that they had needed to replace the boiler at the property but St Andrew's had only agreed to meet the cost of replacing the fan. Whilst the fan was broken, they said that the fact the boiler was idle for up to nine months whilst repairs were undertaken meant that the boiler needed to be replaced.

In its final response to the complaint in January 2013, St Andrew's acknowledged Mr and Mrs B's concerns about issues with delays, poor workmanship and the attitude of its contractors. It agreed to consider estimates for any outstanding repairs and also offered £400 in compensation for the inconvenience caused by the issues with the handling of the claim.

Mr and Mrs B were not satisfied and referred their complaint to this service.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There are several elements to Mr and Mrs B's complaint, each of which I will consider in turn.

boiler repairs

Mr and Mrs B have provided a quote from a contractor who states that the fan needed to be replaced "...probably due to the boiler being out of service for a prolonged period". He also states that other parts may need to be replaced and, because of the age of the boiler,

recommended replacement. The quote mentions the fact that the boiler has not been used for some time, which is causing problems with its operation now that it is needed.

Mr and Mrs B say that it is the fault of St Andrew's and its contractors, and the fact that the boiler was not used for so long during the repairs, that it had to be replaced. St Andrew's file notes that it tried to contact Mr and Mrs B's contractor but, when he could not be reached, it was concluded that only the cost of the fan should be met.

I am not satisfied that St Andrew's made sufficient enquiries to establish whether or not the boiler needed to be replaced because, as stated by Mr and Mrs B's contractor, it was left unused for so long because of delays and issues with the repairs. The evidence from the contractor who did examine the boiler, however, suggests that this is a likely cause of the issues with it. Therefore, on balance, I am persuaded that St Andrew's should meet the balance of the invoice for the replacement boiler.

leak in downstairs bathroom

Mr and Mrs B specifically complain that there is a leak in the downstairs bathroom and that this has been caused by defective repairs during the course of the claim. In St Andrew's file it notes that, as their contractors did not remove the W.C., their work could not have been the cause of the leak. I am not satisfied that this conclusion meant that the leak was not caused by the claims repairs – or any other repair – or even that some other insured event may have been the cause of the leak.

The downstairs bathroom was used for storage during the repair work and, as Mr and Mrs B stated that the source of the leak was a pipe and not the W.C., they said it could have been knocked. St Andrew's has noted that the pipe that is likely the source of the leak is boxed in and is unlikely to have been damaged during repairs.

It is not clear to me that St Andrew's decision that it has no responsibility for the leak is a reasonable one without further consideration. As a result, I am persuaded that St Andrew's should re-consider the claim for the damage to the bathroom caused by the leak, including any estimates or invoices from Mr and Mrs B's contractors. It should assess whether the damage was caused as part of the repairs for the original insurance claim, whether it might be a separate insured incident, for example an escape of water or accidental damage, or whether it does not, in fact, fall for cover under the policy.

compensation

The original incident at Mr and Mrs B's home was very distressing for them. That is in no way the fault of St Andrew's, but it is more than unfortunate that once contractors were appointed, their work was not to an acceptable standard and remedial works had to be undertaken. This caused delays, inconvenience and, undoubtedly, exacerbated what was already a stressful situation.

The delays have meant that Mr and Mrs B were living with the effects of the insurance claim for longer than should have been necessary. It is the case that, due to their circumstances, they chose to stay in their home, rather than seek alternative accommodation. However, they were entitled to expect that the repairs would take the estimated timeframe and, most pertinently, not need to be repeated.

Once remedial works were undertaken by Mr and Mrs B's contractors, it was inevitable that some other issues with the quality of the first attempt at repairs might arise. Whilst some problems with the repairs were obvious, other issues that could not be seen or identified until remedial works were undertaken were not unlikely. I do consider, therefore, that St Andrew's was too quick to dismiss some of the additional problems brought to its attention by Mr and Mrs B.

Therefore, I am awarding Mr and Mrs B a further £350 compensation, in addition to the £400 offered by St Andrew's. This takes account of the issues in handling the claim, in particular the poor repairs and the delays and the snagging that has not been considered by St Andrew's. The handling of this claim has clearly caused stress and put a strain on Mr and Mrs B and their family.

This award does seek to acknowledge that, once it became apparent that its contractors had not completed the repairs to a satisfactory standard, St Andrew's did offer to meet quotes and invoices from Mr and Mrs B's chosen contractors, rather than insisting on using its own contractors. I do consider this to have been reasonable in the circumstances in order to attempt to move the claim forwards towards a conclusion. It does also recognise that other compensation payments have been made to Mr and Mrs B during the course of the claim.

further repair issues

It has become clear during the course of this complaint there are now other issues at Mr and Mrs B's home. In the interests of drawing the claim towards a resolution, I do consider that St Andrew's should now consider any other "snagging" issues to review whether they fall for cover under the original insurance claim, any other insured event or cover under the policy, or whether they are in fact unrelated.

I have noted that the original claims consultant who was dealing with Mr and Mrs B's claim has left St Andrew's and it is clear that it has been difficult to assess how more recent complaints relate to the original claims process. However, St Andrew's should now consider any on-going issues to ensure that they are not related to the insured event or, if they are, deal with them accordingly.

my final decision

For the reasons give above, I uphold this complaint. I require St Andrew's Insurance plc to:

- pay the balance of the invoice relating to the boiler, plus interest;
- re-consider the claim for the leak in the downstairs bathroom at the property;
- consider any snagging issues raised by Mr and Mrs B.

Interest should be paid at a rate of 8% simple per annum, less any legally deductible tax, from the date the invoice was paid until the date of settlement.

I also award Mr and Mrs B £350 (in addition to the £400 already offered) to reflect the distress and inconvenience caused by the handling of their claim, as discussed above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 29 January 2015.

Helene Pantelli
ombudsman