

The complaint

Ms J complains about the handling of her home insurance claim for water damage in respect of her let property by Allianz Insurance Plc.

What happened

In March 2018 Ms J was informed by the tenants of her let property that there was a problem with water coming in. She made a claim to Allianz who initially inspected in April 2018. It was identified that the problem came from the next door neighbour's disabled ramp having been installed so as to breach the damp proof course (DPC). It was agreed that the repairs to Ms J's property couldn't take place until the ramp was removed (the neighbour having died and there being no longer a use for it).

Ms J made a claim under her legal expenses insurance to force the neighbour's executors to remove the ramp. Ms J became unhappy with the way that her legal claim was being handled, and made complaints of delay in respect of this and in respect of this claim. The legal expenses claim is being dealt with separately. In respect of this claim an ombudsman at this service issued a decision concerning Ms J's complaints of delays and poor claim handling up until a final response letter of March 2019. In that he noted that Allianz had paid £250 for poor service and £150 for confusion caused over the issuing of a report for the purposes of the proceedings against the neighbour, He made an award of a further £100.

Prior to the March 2019 letter there had been a follow up site visit in January 2019 mainly for the purpose of drawing up a report suitable for the proposed court proceedings against the neighbour's executors. In March 2019 it was agreed that no further action could be taken until the ramp had been removed. In October 2019 Allianz was informed by the neighbour's solicitors that the ramp had been removed, so it arranged for its loss adjusters to carry out a follow up visit. This visit was arranged for November 2019, but before this Ms J contacted the loss adjusters about the removal of some floorboards so that a full inspection could be carried out. The loss adjusters said they couldn't remove any floorboards but offered for its contractor to carry out a partial strip out. Ms J didn't want to delay the inspection so arranged for a damp specialist company, W, who she'd previously been in touch with, to carry out an inspection of the floor joists and other woodwork.

Ms J arranged with W to carry out repairs and damp prevention work. Allianz agreed its estimate save for £100 for the renewal of part of the DPC, which it said was work necessary because of wear and tear. Ms J was dissatisfied with the work W carried out. Allianz paid her a cash settlement in respect of W's work but she refused to pay W's bill, as a result there are now court proceedings between her and W.

Allianz arranged a further inspection in April 2020 and its surveyor identified that there was now standing water, even though the neighbour's ramp had been removed. He also identified possible further problems with damp, including a leaking radiator and blocked gutter. He also identified a possible problem with the neighbour's drain. It was agreed that further testing would need to be carried out, but because of the lockdown, there was a delay in arranging this.

In August 2020 after a further site visit it was identified that the neighbour's drain no longer flowed towards Ms J's property. The remaining repair work was assessed and a cash settlement agreed and paid to Ms J.

Ms J made complaints about the long delays, the problems caused by W, comments made by Allianz's surveyor which she says forced her to abandon any proceedings against the neighbour, and Allianz's refusal to pay loss of rent. Allianz agreed it was responsible for some delays and agreed to pay Ms J £500 and one month's loss of rent. It pointed out that loss of rent wasn't covered under Ms J's policy.

On referral to this service our investigator said that Allianz's response was reasonable, noting its agreement to pay further compensation.

Ms J didn't agree in particular pointing out that Allianz was responsible for a good deal longer delay than had been found by the investigator.

The matter has been passed to me for further consideration.

What I've decided – and why

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

scope of this decision

As I've said, Ms J's complaint about Allianz has been previously considered by this service, up until March 2019. This includes any delays up until then in getting the neighbour to remove its ramp. That also includes the reports of April 2018 and January 2019, which I won't be considering in this decision. Also the legal expenses claim, and any complaint Ms J has about that is being dealt with separately.

liability of Allianz for work carried out by W

Allianz has said that any fault with W's work, and subsequent legal proceedings aren't its responsibility. It has paid her a cash settlement for this and it's a matter for Ms J if she disputes this. Ms J says she was forced to use her own contractor because of Allianz's loss adjuster's refusal to arrange the lifting of the floorboards.

Ms J had been in touch with W in September 2019, when she'd been given advice. In respect of the November meeting, the loss adjuster did explain to her that for health and safety reasons it couldn't carry out removal of the floorboards. But it did offer for its contractor to carry out a partial strip out. And though I understand Ms J's desire for the under floor areas to be inspected as soon as possible, I think it was her decision to instruct W to carry out the work. I don't think she was forced into that position by Allianz. Whilst Allianz agreed to the scope of work and payment for it. That doesn't mean it's responsible for the standard of work or any other problems caused by W

I note that Allianz refused to pay for DPC repairs, albeit that they were only £100. I've noted that it is in dispute whether W did carry out the repairs to the DPC, and W also alleges that they didn't in fact charge for that work. I think that remains to be decided in the proceedings between Ms J and W.

comments made by Allianz's surveyor

Ms J says it was reported back to her that, following the site meeting in April 2020, Allianz's surveyor made comments to the neighbour's executors, which effectively prevented her from continuing any action against them. She was told by their solicitors that the surveyor agreed that there was clear neglect and a failure to maintain the property. I understand that Ms J disagreed with the surveyor's findings, particularly over the blocked gutter and radiator leak. However he has stood by his findings and denies having any conversation with the neighbour's executors or mentioning that there was any neglect.

I suspect this was the neighbour's solicitor putting his own interpretation on what the surveyor said. But I can't say, without any expert evidence to the contrary that the surveyor was wrong in drawing attention to other issues he thought had contributed to the damp. Indeed I note that later Ms J's own surveyors said that internal maintenance in the sense of the central heating boiler and plumbing installation were arguable factors.

Ms J says that the surveyor's comments led to the executors being able to sell the property. Whether or not that helped the sale, that was a matter entirely out of Allianz's and Ms J's hands and it was up to the buyer whether they wanted to proceed. So, whilst I understand Ms J's unhappiness with Allianz's surveyor's report, I can't say it was wrong or that he unfairly reported back to the executors for the neighbour.

delays

Ms J says that Allianz delayed in dealing with the matter, leading to the property being unoccupied for a long period of time and losing rent. I should emphasise again that I'm considering the delays from March 2019, as any delays prior to that were considered by the previous ombudsman. Further, as I've noted above, W was employed directly by Ms J so any delays it caused weren't Allianz's responsibility.

It was agreed in April 2019 that no action could be taken regarding the repairs until the neighbour had had their ramp removed. Allianz says that, although it was removed in August 2019 it wasn't advised about this until October 2019 and then set up a site meeting. After this W carried out the work to deal with the prevention of rot. Allianz was then slow to arrange a further site meeting which took place in April 2020. At that meeting, as I've noted above, further issues were identified. It was agreed that testing would need to be done on the neighbour's drain and soakaway, but because of the lockdown this was put on hold.

Prior to the meeting in August 2020 efforts were made to agree with the neighbours over a further inspection and dye test to establish if water from the soakaway/drain was affecting Ms J's property. I can't see whether that particular test was done, though it is evident from the meeting notes and report of August 2020 that the parties were satisfied that the drain/soakaway was no longer an issue and agreed the cash settlement for the remaining repairs.

I think Allianz was responsible for some delays, it could have made arrangements after the initial lockdown of March to May 2020 eased. But I don't think in the context of the time period I'm considering, its delays significantly stalled the progress of the claim.

loss of rent

Ms J complains that she has lost a substantial amount of rent. Allianz has paid one month's loss of rent but has pointed out that there is no cover for loss of rent in Ms J's particular policy. Ms J believes Allianz is directly at fault for substantial delays so should pay her loss

as compensation. She also thinks it fair that Allianz pay her loss of rent and recoup that from her former neighbour's estate.

To the extent that Allianz was responsible for some delay in respect of the period this decision is concerned with, I think its payment of one month's loss of rent is reasonable. The issues with getting the ramp removed are part of the legal expenses claim. And whilst the delays because of lockdown were a concern for the most part Allianz wasn't responsible for that. If Ms J had had loss of rent cover that period may have been covered.

As Ms J unfortunately didn't have loss of rent cover I don't think it's reasonable to award any further loss of rent. Whilst I understand her point that Allianz could pay the loss and recoup it, it's not obliged to pay for any uninsured losses, whether or not it might be able to recoup them. Again this is an issue concerning the neighbour not removing their ramp and the legal expense claim concerned with that.

compensation

I've noted that, in addition to compensation paid to Ms J in respect of her previous complaints, Allianz agreed to pay £500 compensation and one month's loss of rent. I think that was fair, again taking into account the period this complaint is concerned with.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 28 July 2021.

Ray Lawley
Ombudsman