

The complaint

Miss M complains about Millennium Insurance Company Limited's (Millennium) handling of a claim made under her home insurance.

What happened

In September 2016, there was an escape of water in Miss M's home. This caused significant damage. Miss M previously asked this service to consider two complaints to about Millennium's handling of the claims. Both complaints have been the subject of a final decision by an ombudsman.

In August 2017 an ombudsman colleague issued a final decision. He considered Millennium's handling of the claim and recommended it pay Miss M £750 for the trouble and upset caused as a result of its handling of the claim up to the end of June 2017.

Miss M referred a second complaint to this service which focused on how Millennium settled the claim. This was the subject of a second final decision, issued in August 2019, which said Millennium needed to:

- Pay a cash settlement for the repairs, including simple interest.
- Reconsider the outstanding parts of the claim for the cost or replacing or repairing damaged or destroyed contents.
- Pay outstanding alternative accommodation costs on production of invoices and consider payment of those costs during the repairs – simple interest should be payable on any payment made.
- Pay any heating/drying costs on production of bills/invoices and consider payment of any further such costs – simple interest should be payable on any payment made.
- Pay the surveyors fee and add simple interest.
- Pay £550 compensation for the distress and inconvenience experienced.

Miss M referred a third complaint to this service. She said she wasn't happy with Millennium's reconsideration of the alternative accommodation or contents part of the claim. She said some of the issues the ombudsman directed Millennium to reconsider hadn't been reconsidered.

The new complaint was considered by one of our investigators. She said Millennium needed to recalculate the costs paid to Miss M in respect for the alternative accommodation for the repairs and also pay interest on an invoice for a hotel bill. Miss M thought Millennium needed to do more than the investigator recommended, so this matter has been passed to me.

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.

There have been extensive submissions provided by both sides. And while I've carefully considered these, my decision here focuses on those issues I consider most relevant to the dispute. This isn't intended as a discourtesy but reflects the informal nature of this service.

How the buildings and contents claim have been settled

A key part of the complaints Miss M brought to us is how the buildings and contents claims have been settled by Millennium. In the final decision issued in August 2019, my ombudsman colleague set out how Millennium needed to settle these claims. Miss M accepted the ombudsman's final decision, making it legally binding on both sides.

This service isn't free to consider every complaint brought to us. The Dispute Resolution rules (known as DISP) in the Financial Conduct Authority (FCA) Handbook (available on their website) set out the rules on which complaints we can consider.

DISP 2.3.1R explains that an Ombudsman can consider a complaint under the compulsory jurisdiction if it relates to an act or omission by a firm carrying on one or more of the activities listed in DISP 2.3.1R. A number of activities are listed under DISP 2.3.1R including "regulated activities". Parts of the dispute Miss M asked this service to consider is whether Millennium has acted in line with the final decision issued in August 2019 in terms of how it settled her buildings and contents claims.

However, implementing and complying with a final decision is not a "regulated activity" nor any other sort of activity under DISP 2.3.1R. I've also considered if the activity of implementing and complying with a final decision could fall under any of the other provisions in DISP 2.3R. Having done so, I'm not satisfied that this is an activity covered under any of the other provisions in DISP 2.3R. I'll set out in the various sections where I think Miss M has asked us to decide if Millennium complied with the final decision issued in August 2019.

I've considered Miss M's comments about the cooker, which she says she hasn't been paid for. Millennium has shown the cooker was included in the schedule of works provided to the ombudsman when he directed it to pay a cash settlement for the buildings claim as part of the 2019 final decision. I can't consider this point further.

I also can't consider Miss M's complaint about interest not being awarded on the contents claim. This is because the payment for the contents claim formed part of the final decision issued in August 2019 (although I note an interest payment wasn't a requirement of the ombudsman's final decision). The only direction the ombudsman made was for Millennium to *reconsider* items that Miss M thought were undervalued and any items it had not made an offer for. As a result, I can only decide if I think Millennium's reconsideration of these issues is fair and reasonable – but not the original amount, or whether interest should have been awarded.

I've considered Miss M's comments about what she considers to be the outstanding payment owed to her for the iPad, lounge ceiling light and carpets. I've seen the iPad and ceiling light mentioned on the spreadsheet of items that formed part of the payment for the contents claim. I note the ceiling light isn't defined by room; but I think it's more likely than not that one of these ceiling lights was for the lounge. On this basis, I'm persuaded that the iPad and lounge ceiling light were included in the original payment to settle the contents claim.

I can also consider the new complaint Miss M made about the carpets. In August 2019 the ombudsman required Millennium to reconsider the cost of damaged or destroyed contents. I can see an additional payment of £2,720 was made for the carpet in December 2019. Millennium says this took the full payment in respect of the carpets to £5,200. Miss M hasn't provided any evidence to show this payment was inadequate, but I think she's been provided with many opportunities to do so. On balance, I'm satisfied this payment is fair and reasonable in the circumstances. I'm not going to require Millennium to increase the

payment it made in respect of the carpets or undertake any further reconsiderations for any damaged or destroyed contents.

Outstanding bills and invoices

I'll turn now to the bills Miss M says are outstanding. Miss M has referenced bills for her house alarm, electrics, invoices for cleaning and clearing the property, along with a loss adjuster invoice, and a fee she's requested for project management.

I'll turn first to the bills for the alarm and electrics. For the alarm, Miss M had been paid £54, but says in February 2020 she had to have a new system installed, costing £912. I've considered the invoice which states the alarm needed to be replaced as a result of flood damage. However, there isn't any information provided which sets out how an escape of water from 2016 is the cause of the flood damage. I haven't been provided with sufficient information to persuade me that the alarm system needed to be replaced as a result of the escape of water in 2016. I'm not going to require Millennium to pay this invoice.

With regards to the electrics, Miss M says she's owed £2,145 but has only been paid £700. I haven't seen any evidence to show why there's such a significant increase between the amount quoted in the surveyor's report and the amount Miss M says she paid. I haven't seen anything in the invoice provided to evidence why this amount increased. I'm satisfied Miss M has been provided with many opportunities to do so. Given the time that's passed between the escape of water and the quote for the electric works, I can't say with any certainty the escape of water is responsible for the increase. It follows, I don't think it's unfair Millennium hasn't paid all of this increased amount. Based on the information available to me, I'm not going to require Millennium to increase what has been paid so far.

I'll turn now to the remaining invoices Miss M says are outstanding. These are for the drying of the property cleaning and clearing waste. I consider these invoices come under the heading "other invoices" in the ombudsman's final decision from August 2019, and therefore have already been considered by an ombudsman at this service. As I've outlined above implementing and complying with a final decision is not a "regulated activity" nor any other sort of activity under DISP 2.3.1R. It follows, I'm not going to consider these invoices any further. This is also the case for Miss M's request for a project management contribution – this was considered by the ombudsman in his August 2019 final decision, so I won't be offering any further comment on this issue.

With regards to Miss M's request for Millennium to pay her Loss Assessor bill, I've considered whether this is covered by the policy. Having considered the policy terms, I can't see the policy requires Millennium to provide this to Miss M. As there isn't a requirement for Millennium to provide a Loss Assessor, I've considered whether I think it was fair for it to decline to pay the bill. And I think it was. I haven't seen anything which suggests the repairs were so complex the appointment of a Loss Assessor was necessary. I'm not going to require Millennium to make a payment in respect of this as Miss M requests.

Alternative accommodation and disturbance allowance

It's clear this issue is a significant concern for Miss M. In considering her comments I've started by reviewing what the policy said on this matter:

*"additional cost of alternative accommodation substantially the same as **your** existing accommodation, which you have to pay for"*

Miss M says the figure paid out for the timeframe of October 2016 to May 2017 wasn't sufficient, and also says the period from early September until mid-October 2016 is missing.

Miss M has also complained Millennium has not paid interest on a hotel invoice from May 2017. But, like some of Miss M's other complaint points, I don't think I can consider these specific concerns.

This is because the issue of alternative accommodation was considered in the final decision issued in August 2019. The ombudsman's final decision required Millennium to reimburse Miss M for costs incurred so far and pay interest. As I've said whether a business is implementing and complying with a final decision isn't something I can consider. If Miss M considers Millennium hasn't paid something it was directed to by the ombudsman (like the interest on the hotel invoice from May 2017), then she will need to seek her own advice about what her options are. All I'm able to decide is whether I consider Millennium has paid reasonable costs towards Miss M's alternative accommodation costs incurred after my ombudsman colleague's final decision in August 2019.

Miss M has asked Millennium to pay an invoice she provided to cover what she said were her accommodation costs between 2017 and 2019 when she stayed with family and friends. Millennium has declined to do so, saying Miss M has not demonstrated that she experienced a financial loss. Having reviewed the invoice provided, I'm satisfied Millennium's response here is fair, because Miss M has not demonstrated that she incurred a financial loss. The invoice provided is not an official document. While I can understand Miss M may have wanted to make a payment in respect of staying with her family and friends, I'm not persuaded Miss M has demonstrated this was a cost she had to pay for, as required by the policy terms.

I'll turn now to the point Miss M raised about the alternative accommodation costs she was paid when the repairs began. Millennium paid Miss M £5,500 and said in calculating this cost, it was based on a rental cost of £700 - £800 for an apartment, along with a disturbance allowance of £2,000. So, in deciding if this payment is fair, I've again considered the policy terms.

An apartment is not substantially the same as Miss M's property, so I don't consider Millennium acted in line with the terms of the policy in calculating this payment. To put things right, Millennium should recalculate this cost, for the same duration as it originally offered, but on the basis of a property that is a like-for-like basis, based on Miss M's existing property. Millennium should also add simple interest at 8% per annum on this figure and provide Miss M with a breakdown so she can see how the new payment has been calculated.

I'll turn now to Miss M's comments about disturbance allowance, which she refers to as subsistence. She's complained Millennium declined to make a payment for disturbance allowance between May 2017 and December 2019. During this time Miss M stayed with friends and family. I've considered the invoice she shared with Millennium and her request for a disturbance allowance.

Having done so, I've reached the same conclusion as our investigator on this point and for the same reasons. Had the original escape of water not occurred, Miss M would still have had to pay for food and bills. I'd generally only expect an insurer to make a disturbance allowance payment if a customer had shown they'd incurred reasonable additional costs. But Miss M hasn't demonstrated she incurred additional costs. I'm not persuaded the invoice provided evidences she incurred a financial loss, or accurately reflects the actual costs incurred. I haven't seen anything that formally required Miss M to contribute to her family and friends in the way she has suggested she did. And it's not the case Miss M is entitled to a daily payment solely for being out of her home. I'm not going to require Millennium to pay over and above the amount already paid in respect of disturbance allowance.

Overall handling of the claim

I acknowledge Miss M remains unhappy with Millennium's handling of this claim. She's stated there have been delays throughout. I'm aware my ombudsman colleagues have previously awarded compensation in recognition of this. That being said, for the timeframe I can consider (from after my colleague's final decision until our investigator issued her opinion in December 2021) I haven't seen any evidence of Millennium unavoidably delaying settling this claim.

My final decision

I uphold this complaint. To put things right Millennium Insurance Company Limited should:

- recalculate the alternative accommodation cost for when the repairs were carried out. This should be for the same duration as it originally offered, but on the basis of a property that is a like-for-like basis, based on Miss M's existing property
- Millennium should add simple interest at 8% per annum from date of repairs until the date of settlement*.

* If Millennium Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Miss M how much it's taken off. If requested, Millennium should also provide Miss M with a certificate showing the amount deducted, so she can reclaim it from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 July 2022.

Emma Hawkins

Ombudsman