

The complaint

Miss M complains about the way in which Ageas Insurance Limited handled and settled a claim she made under her home insurance.

What happened

Miss M held a home insurance policy with Ageas Insurance Limited, which covered damage to buildings and contents.

On 22 September 2021 Miss M contacted Ageas to explain that an over bath shower screen had detached while a family member was using the shower. She wanted to claim under her policy for a repair and stated the screen had hit the floor causing damage to floor tiles.

Ageas registered the claim as an accidental damage claim and, on the day it was notified of the claim, it appointed a specialist repairer, which I'll refer to as "M", to attend Miss M's property and repair the flooring.

After instructing M Ageas said Miss M advised that she wanted to fit the shower screen prior to its attendance at her property and she said she would contact it once this had happened.

On 28 September 2021, Miss M contacted Ageas to request an update. During this call and due to what was discussed, Ageas said it felt the damage within the bathroom was more extensive than initially reported. So, it appointed a loss adjuster, which I'll call "P" to attend Miss M's property and assess and validate the claim.

P visited Miss M's property on 30 September to undertake a survey. It observed that a bracket holding the shower screen in place had sheared, which had caused the screen to fall onto the bathroom tiled floor. The shower screen was intact but the frame had suffered damage. P thought a full unit replacement would be required.

During the survey P observed that the flooring beside the bath and toilet was rotten. P removed part of the bath panel and discovered that the floorboards and the wall plaster behind the bath were saturated with water. It wasn't able to identify the source of the escape of water but thought the leak had been ongoing for some time.

Miss M's policy didn't cover her for trace and access. So, Ageas informed her that she'd need to instruct a leak detection company to trace the leak. Miss M said she'd revert to Ageas once the trace and access work had been completed.

On 2 October 2021, Miss M withdrew her claim for accidental damage based on the cost of replacement being similar to the excess applicable to the claim. She didn't, however, provide any instructions to Ageas about whether she wanted to pursue an escape of water claim.

On 14 October 2021, Miss M contacted Ageas to explain that a plumber had attended her property and would be providing a cause of damage report and reinstatement quote. Ageas contacted Miss M the following day to chase the report.

Ageas received Miss M's report from her plumber on 25 October 2021. Subsequently, her claim was reopened but progressed, this time, as an escape of water claim. P provided Ageas with a quote for the cost of reinstatement work, which was significantly lower than the quotation Miss M's plumber had provided. Ageas told Miss M it could either appoint P to undertake the reinstatement work or cash settle the claim at the value of P's invoice.

Miss M disputed the extent of the reinstatement work approved by Ageas in settlement of her claim and thought the quotation from P was too low. Ageas informed Miss M what the terms of her policy covered and provided a scope of works outlining a breakdown of the reinstatement work and cost of repair.

Miss M decided to cash settle her claim and, in December 2021, she received a payment from Ageas for just over £3000. But she wasn't happy with the sum paid and complained to Ageas about how it had dealt with and settled her claim.

Miss M didn't think Ageas had fairly assessed the cost of repairing her bathroom. She said her bathroom was damp, unusable and unsafe for around three months during the reinstatement process. And she told Ageas that she'd experienced unnecessary delay in how her claim was progressed. She complained that she'd found it difficult to contact Ageas due to long call waiting times and delay while her claim handler was on annual leave. She said, during this time, her claim wasn't delegated to another member of staff. She also was unhappy that her excess had increased from £150 to £350.

On 14 February 2022, Ageas issued its final response to Miss M's complaint. It upheld her complaint about long call waiting times, which it stated was because of higher than expected call volumes following two consecutive storms. It apologised for the inconvenience that had caused. But it didn't uphold any other aspects of Miss M's complaint as it didn't think it had made an error in how it had progressed or settled her claim.

Being dissatisfied with how Ageas had dealt with her complaint, Miss M referred it to our service. Our investigator looked into what had happened. But they didn't recommend upholding Miss M's complaint. After considering the evidence provided, our investigator wasn't persuaded that Ageas had done anything wrong. But Miss M disagreed with our investigator's view of this complaint and asked an ombudsman to review it.

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.

I'm sorry to hear about the difficulties Miss M experienced here. I know she feels very strongly about this matter. And I appreciate the reasons she's brought this complaint to our service.

Where the information I've got is incomplete, unclear or contradictory (as some of it is here) I must base my decision on the balance of probabilities. I'd like to thank Miss M and Ageas for the level of detail contained within their submissions. I've read and considered all the information provided. But if I haven't specifically referred to a point that Miss M or Ageas have made it isn't because I've failed to take it on board and think about it. It's because my decision will focus on what I think are the key issues, which is an approach that reflects the informal nature of this service.

The crux of this complaint is whether Ageas erred, or treated Miss M unfairly, in how it dealt with and settled her claim – such that it needs to now put things right. And in thinking about this I've carefully considered the evidence from both parties.

As there are several parts to Miss M's complaint, I think it will make things clearer if I deal with each separately.

Miss M has informed our service that the progression of her claim was hindered by delay. So, I'll address this issue first within this decision.

As I set out in the background of this complaint, Miss M notified Ageas of her claim on 22 September 2021. I've seen evidence that Ageas acted promptly once it became aware of this claim. I say this because it instructed M within hours of the claim being reported to it.

I can see that M contacted Miss M the same day it was appointed to make arrangements to repair the flooring. But it stated that Miss M advised she wanted to fit the shower screen prior to its attendance at her property and she said she would contact it once this had happened.

Based on the evidence I've seen, it appears that any delay in M tending to the damaged flooring was due to it waiting for Miss M to fit the shower screen and confirm this had happened. This is not something I can fairly hold M, or Ageas, responsible for.

I've already explained that Ageas instructed P to assist it with this claim. I can see Ageas appointed P within a week of becoming aware of Miss M's claim. I think this was prompt and demonstrates progressive, reasonable action. I say this because it had concerns about the extent of the damage sustained and wanted to ensure the claim was properly assessed and validated. I haven't been able to identify any delay here.

P attended Miss M's property within two days of it being appointed. In doing so, I'm persuaded there was no delay in how the claim was progressed from the perspective of assessing and validating the claim.

After P's visit, I understand Miss M withdrew her claim. There was a slight delay prior to Miss M reinstating her claim. But this wasn't caused by anything Ageas did. I say this because it can only reopen a claim when instructed to do so by a policyholder and I can see it promptly reinstated Miss M's claim when requested.

Miss M told our investigator that it shouldn't have taken as long as it did to resolve and settle the claim. But the damage to Miss M's bathroom as a result of the escape of water was extensive. It's reasonable to expect a claim of this nature to take time to resolve. The cash settlement could have been paid earlier. But there was a slight delay due Miss M disputing what was covered under the policy and whether the settlement offer was fair.

The evidence I've seen demonstrates that Ageas responded proactively in providing evidence to Miss M that showed what her policy covered. It invited her to evidence why she wanted it to cover the replacement of items excluded under the policy terms. And it showed how P had calculated the cost of the reinstatement works. I haven't seen any evidence that Ageas, or its agents, caused avoidable delay in how it progressed or settled this claim.

I can see that Miss M is unhappy about the communication she received about her claim. She said Ageas failed to respond to her emails from September to December 2021. But I've carefully considered the chronology and business file Ageas has provided to our service. There's evidence Ageas contacted Miss M when it said it would. And I can see it chased her plumber's quotation and instructions to progress the claim. There's no evidence that Miss M's claim was inactive due to a call handler being on annual leave.

Overall, I'm satisfied Ageas corresponded and provided updates to Miss M as regularly as we'd expect in a claim of this nature. The evidence I've seen therefore doesn't support Miss M's suggestion that Ageas failed to respond during the claim or progress it proactively.

Miss M also explained that her efforts to contact Ageas were made more difficult by excessive call wait times. I can see that Ageas acknowledged, and upheld, this aspect of her complaint. It's already apologised for the inconvenience this would have caused.

I recognise that waiting on hold would have been frustrating for Miss M, but I can see that this happened following an increase in call volumes due to two consecutive storms. Our service can only award compensation where a business has made a mistake which has impacted on a consumer. I'm not persuaded longer than usual call waiting times was due to an error on Ageas's part. So, I'm not going to direct it to pay compensation here.

I'll turn now to whether the settlement offered by Ageas is fair and reasonable. Here, Ageas agreed to pay Miss M a cash settlement, which it feels will return her bathroom to its pre-loss state. But it's clear she disagrees with the amount she's been offered.

Miss M provided Ageas with an invoice from a plumber that quoted the cost of reinstatement works. This invoice includes the cost of supplying and fitting the items specified. The total cost of repair is £5700, which is significantly higher than P's quotation. I can understand why Miss M is unhappy that she's been offered much less as a cash settlement. But that doesn't mean Ageas' settlement figure is wrong and unfair. I'll explain why.

I can see the scope of work detailed on the invoice from Miss M's plumber differs vastly from that quoted by P. The plumber has quoted for fitting new floor and wall tiles together with a replacement shower and bath. P's quote is based, instead, on it reusing undamaged floor and wall tiles and refitting the shower and bath. This explains why the cost of the reinstatement work differs so much.

The scope of work quoted by P seems reasonable based on the photographs of Miss M's property that our service has seen and the information we've been provided about the extent of damage. Other than including the cost of replacing the bath, shower, floor and wall tiles I'm satisfied that the quote from Miss M's plumber covers largely the same things that P's quotation includes. It follows that I'm not persuaded that the summary of costs provided by P to Ageas was incorrect or too low.

I can see Miss M wanted her bath replacing as part of her claim. But under her policy, Ageas' responsibility is to return her bathroom to its pre-loss state. This is because an insurance policy is an indemnity policy. It isn't a betterment policy. So, a policyholder can't expect an insurer to put them in a better position.

Based on the available evidence, it's difficult to understand why Miss M might need a new bath following an escape of water. I would expect an escape of water claim to involve damage to items such as pipes, flooring, woodwork and tiles. But I wouldn't expect a new bath or shower unit to be required unless it can be shown this was necessary. I haven't seen evidence demonstrating that it was necessary to replace the bath and shower unit. And it would be unfair to expect Ageas to pay for work that might not be necessary in reinstating Miss M's bathroom to its pre-loss condition.

I understand that the escape of water was caused by a leaking pipe. It appears that Miss M asked Ageas to cover the cost of replacing the damaged pipework as part of this claim. Pipework isn't covered under the terms of Miss M's policy so I can't say Ageas acted unfairly in declining to cover this when asked.

I can see that Ageas offered Miss M the option of it instructing P to undertake the reinstatement work. Miss M chose not to do so. Her policy, in common with many home insurance policies, allows Ageas to settle this claim in a number of ways. The terms allow Ageas to either instruct a contractor to undertake reinstatement work or pay the cash equivalent, based on what it would cost Ageas if it instructed its preferred supplier. As Ageas has paid Miss M what it would have paid P had it undertaken the reinstatement works I can't conclude it made an error in how it cash settled this claim.

Miss M has complained that the excess deducted from her cash settlement increased from £150 to £350. This is because the claim was initially registered as an accidental damage claim, which was appropriate given that damage had been caused by the shower screen falling. Based on the policy documentation I've seen, an accidental damage claim incurs an excess of £150. However, an escape of water attracts a higher excess. So, when claim changed to an escape of water claim the applicable excess increased to £350. As this is in line with the policy terms, I can't say this increase in excess was incorrect.

I do, however, think Miss M could have been notified earlier that the excess payable had increased. This would have helped in managing her expectations of the payment amount she might have expected to receive. But it wouldn't have changed the outcome of her claim and I haven't seen anything to warrant an award of compensation for any missed opportunities to communicate this change sooner. It follows that I'm not going to direct Ageas to pay compensation.

I realise Miss M will be disappointed with this decision. But it brings to an end what we, in trying to resolve her dispute with Ageas informally, can do for her. I'm sorry we can't help Miss M any further with this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 8 November 2022.

Julie Mitchell
Ombudsman