

The complaint

Mr S complains Great Lakes Insurance UK Limited (Great Lakes) made an unfair settlement offer after he made a claim on his home insurance policy.

Great Lakes are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Great Lakes have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Great Lakes includes the actions of the intermediary.

There are several parties and representatives of Great Lakes involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Great Lakes

What happened

Mr S found a damp patch on the ceiling of his kitchen. A plumber found the toilet cistern flush pipe in the ensuite bathroom above the kitchen had been leaking and was in need of replacement. The plumber fitted a new temporary cistern. The leak was stopped.

Mr S made a claim on his home insurance policy for the damage caused by the leak from the toilet. As requested by Great Lakes he provided quotes from a bathroom supplier to repair and replace water damaged areas and items.

Great Lakes said the quotes obtained by Mr S seemed excessive compared to the pictures of the damage. It did not agree that all the work detailed in the quote provided by Mr S was covered under his claim for the leak from the toilet. It declined to settle for the full refit of the shower cubicle and tiling. It said there were two separate leaks - one from the toilet and a second from the shower.

Mr S declined this offer. He said after his plumber had repaired his toilet there was no further water damage caused to the ceiling. He said all the work his bathroom supplier had identified should be covered by his home insurance policy.

Mr S brought his complaint to our service. He said there was a lack of communication from Great Lakes and it had still not settled his claim or answered his complaint.

Our investigator partially upheld the complaint. They looked into the case and said based on the professional reports they reviewed they did not think Great Lakes had acted unfairly in assessing the claim as it had. They said it had been fair in not replacing the shower unit, wall tiles and accessories. They said Great Lakes should pay Mr S £300 compensation for the delays caused in settling his claim.

As Mr S is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Claim settlement

I looked at the report Mr S provided from his chosen bathroom supplier from January 2023. This said rotten floorboards and water ingress meant the entire ensuite bathroom should be replaced. The quote provided was for the entire refit of the ensuite.

Mr S felt all the work on the quote was required but as Great Lake disagreed in February 2023 he engaged a private loss assessor to progress his claim on his behalf.

Great Lakes offered to send out an approved buildings inspector at the end of March 2023. This was not possible due to Mr S being on holiday. The inspection eventually took place on 26 April 2023. It concluded there had been two separate escapes of water. One from the toilet cistern leak that Mr S made the claim for and the other was water damage from under the shower that had happened over a period of time.

Great Lakes confirmed it would only cover the repairs to the water damaged areas caused by the toilet cistern leak. It provided a scope of works. This included removal and replacement of the ensuite bathroom flooring and floor covering, replacement bathroom cabinets and plastering and painting of the ceiling in the kitchen.

On 30 May 2023 Great Lakes made a cash settlement offer of £3,432.54 plus VAT, minus the policy excess. This was rejected by Mr S's loss assessor as they said it was not two separate incidents.

I looked at the report and images of the ensuite bathroom which show images of water damage to the floor. One is around the toilet and the other at the side of the shower cubicle. I did not see any evidence that the water ingress under the shower tray was connected to the leak from the toilet.

I think Great Lakes was fair to consider damp floor under the shower as a separate incident to the leak from the toilet. I saw it said it could set up a new claim for the damage relating to the shower and asked if Mr S would like this to proceed. I did not see any evidence that Mr S had asked for a second claim to proceed.

As I think the scope of works agreed by Great Lakes is fair in the circumstances of this claim, the cash settlement offer made to cover it should now be paid to Mr S.

Claim delay

Although I am not persuaded the leak from the toilet contributed to the damp around the shower. I think Great Lakes have caused some delay to the conclusion of Mr S's claim in this case.

I accept Great Lakes said Mr S did not make a specific complaint, despite being asked to do so. However I think it is clear in this case that the complaint was about the scope of repairs authorised.

I saw multiple emails were sent to Great Lakes in June 2023 from Mr S's loss assessor asking for a *final decision* on his claim. Great Lakes should have been much clearer that its decision to cover only the work in its scope of works was its *final decision* offer in the settlement of this claim and that it was not considering the estimates for a full ensuite bathroom refit.

I think by not saying clearly that the work included in the scope of works was its *final decision* was poor customer service and it caused delay to the claim and delay to Mr S being able to bring a complaint to our service.

Therefore, I uphold Mr S's complaint about the delay to his claim and require Great Lakes to pay him £300 compensation for the delays and stress caused to him.

My final decision

For the reasons I have given I uphold this complaint.

I require Great Lakes Insurance UK Limited to pay Mr S £300 in compensation for the delays caused to his claim

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 March 2024.

Sally-Ann Harding
Ombudsman