

The complaint

Mrs T complains about how Fairmead Insurance Limited (Fairmead), handled a claim under her home insurance policy for damage at her property caused by an escape of water.

Any reference to Fairmead in this decision includes their agents.

This complaint covers issues raised by Mrs T in July 2023, relating to interior damage at her property. It doesn't cover a separate complaint she made to this Service regarding her claim for handling of the claim and damage to contents, which was dealt with separately by this Service. The outcome of that complaint (issued in May 2023) required Fairmead to deal with any outstanding repairs and residual problems, as well as a claim for damage to contents. The outcome also included compensation for the distress and inconvenience to Mrs T by delays in handling the claim.

In bringing her complaint, Mrs T was supported by a representative. References to Mrs T include her representative.

What happened

The following is a summary of events relevant to this complaint, including the original incident involving an escape of water in September 2021. The summary provides context for Mrs T's current complaint.

In September 2021 there was a leak from the bathroom at Mrs T's property, which also caused damage to the lounge underneath the bathroom. She made a claim for the damage, which Fairmead accepted. Reinstatement work was carried out by a contractor appointed by Fairmead, completed in August 2022.

However, Mrs T said there were subsequently issues with the hall, stairs and lounge of the property affected by damp, resulting in peeling paintwork and cracks in the lounge ceiling. She thought this was due to defective workmanship by Fairmead's contractor when they carried out the original reinstatement work.

Fairmead considered Mrs T's concerns and issued a final response in July 2023. They said the property had naturally dried out between the date of the original incident and the completion of the reinstatement work. Having reattended the property, their contractors confirmed areas of the property were saturated – but this wasn't related to the original incident. They concluded the damage was due to a sink unit coming away from a wall with issues with the sealant and grout. They considered this a separate issue, not an insured peril covered by the policy.

Unhappy at this, Mrs T complained to this Service in July 2023, which was considered a separate complaint to the original complaint. She said her claim had been ongoing for two years since the incident. There was damage to walls and railings from damp, but Fairmead wouldn't consider covering the damage as they didn't think it was the result of the original escape of water. Mrs T also raised concerns about the repair work that had been carried out, the leak had recurred, and the lounge ceiling was showing signs of deterioration and cracking. But Fairmead said it was due to wear and tear – which Mrs T disputed, as work on

the ceilings had been carried out after the initial escape of water. Mrs T thought the recurrence was due to pipework not being properly reconnected by Fairmead's contractors.

Our investigator then considered the complaint, but initially didn't uphold it, concluding Fairmead had acted fairly and reasonably. She noted Fairmead's contractor opinion the property was in a poor general state of repair and the further leak was likely to have occurred due to a lack of sealant around a shower unit – which the contractors didn't work on when reinstating the property following the original incident. So, it wouldn't be reasonable to hold the contractors responsible for the further leak. She also noted the contractor's opinion the pipework under the bathroom flooring might be deteriorating – but would need further inspection to confirm its condition. The investigator thought Fairmead had done enough to say a new claim would need to be made – not that the further leak was the result of poor workmanship in the original reinstatement work. It was also reasonable for Fairmead to say they would reconsider their decision if an independent report was provided that indicated the further leak was caused by previous poor workmanship.

Mrs T disagreed with the investigator's initial view. She said there were issues with the bathroom sink, which she didn't think the contractors had properly joined to the wall, as well as with the flooring, causing water to leak through. Her own contractor had confirmed her views. They also said the shower tray wasn't the cause of the further leak, which was due to a hole left by the contractors. On the redecoration of the hallway, Mrs T said this was part of the original reinstatement work and the contractors had said they would carry it out (and had asked her for the colour of paint for the redecoration). She provided copies of emails supporting her view on the redecoration.

Mrs T's points were put to Fairmead, but their contractor disputed them. They didn't see where a gap had been left that would cause a leak, and they hadn't left a gap in the sealant of the sink unit to the wall – they thought it had subsequently moved. And they didn't carry out any work on the shower unit, which photographs showed had poor condition sealant. They thought the leak was due to poor plumbing across the bathroom. They said they didn't have approval to redecorate the hallway and staircase walls (only the woodwork, which they carried out). Fairmead said the hallway and staircase walls weren't included in the original reinstatement work as they weren't damaged by the original leak.

Our investigator considered the points made by Mrs T, Fairmead and their contractor and issued a second view. She thought the evidence didn't indicate the further leak was the result of poor workmanship by Fairmead's contractors. Mrs T had the opportunity to provide an independent report identifying the cause of the leak (and whether it was due to poor workmanship by Fairmead's contractors) but hadn't done so. On the redecoration of the hallway and stairs, the emails provided by Mrs T indicated Fairmead's contractors thought it was covered (by Mrs T being asked to choose colours). And it wasn't clear why damaged hallway contents were covered. The investigator thought Fairmead should reconsider whether the hallway walls and ceilings should be covered. Because of the uncertainty and how long the claim had been ongoing (over two years) the investigator thought Fairmead should pay £400 compensation to Mrs T.

Fairmead disagreed with the investigator's second view and requested an ombudsman review the complaint. They didn't feel redecoration of the hallway and staircase was covered by the original claim and said the scope of works for repair of the damage from the original leak didn't include redecoration (it did cover painting the handrail and balustrade and varnishing the wood cladding as well as replacing the carpets).

In my findings, on the issue of the cause of the further leak, I considered the evidence and information available. Mrs T said it was due to poor workmanship by Fairmead's contractors. Fairmead pointed to issues with the sink unit in the bathroom and a gap between it and the

wall, as well as issues with the shower unit and the sealant around the shower tray. They also thought the general condition of the bathroom plumbing might be a factor. Having considered these points, I was more persuaded by Fairmead's view.

That conclusion didn't support the conclusion that poor workmanship by Fairmead's contractors caused the further leak and associated damage. It followed it wasn't reasonable to conclude the damage to the lounge ceiling was also caused by faulty workmanship, and Mrs T hadn't provided any independent evidence to support that view.

On the issue of the redecoration of the hallway and staircase, the evidence was mixed, but my conclusion was that while there was an issue of expectation on the part of Mrs T, I wasn't persuaded there was sufficient evidence to conclude redecoration should be included under the claim.

Having reached these conclusions, I thought about the issue of the compensation. Given the uncertainty and loss of expectation in respect of the redecoration of the hallway and staircase, this would have caused distress and inconvenience to Mrs T. However, the outcome of her previous complaint to this Service included substantial compensation for the delays she'd experienced in the assessment of the claim. Which would have covered the time taken in assessing the claim. Taking these points together, I thought some compensation for loss of expectation and associated distress and inconvenience would be reasonable. But I didn't think £400 proportionate to the issues and circumstances of the complaint. I thought £150 would be fair and reasonable.

Because I reached different conclusions to those of our investigator, I issued a provisional; conclusion to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

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

My role here is to decide whether Fairmead have acted fairly towards Mrs T.

Looking at the circumstances of the case and the current complaint, I've carefully considered the issues to be determined in this decision – given what was covered in the previous, separate complaint. First, there is the question of the cause of the further leak that Mrs T says is a consequence of poor workmanship by Fairmead's contractors when they carried out the original reinstatement work. Fairmead disagree, pointing to other factors they think likely to have caused the further leak. Second, there's the specific issue of whether redecoration of the hallway and staircase walls should have been part of the original reinstatement work. Mrs T says it was, and she was told it was included and asked for preferred colours. Fairmead say it wasn't, though some other elements of the hallway and stairs were included (the handrail and balustrade and varnishing of wood cladding).

As it formed part of our investigator's second view, I've also considered the issue of compensation.

On the first issue, the cause of the further leak, I've considered the evidence and information available. Mrs T says it was due to poor workmanship by Fairmead's contractors. She's also referred to the opinion of her contractor, which she says support her view. Fairmead point to issues with the sink unit in the bathroom and a gap between it and the wall. They also refer to issues with the shower unit and the condition of the sealant around the shower tray. They also think the general condition of the bathroom plumbing may be a factor.

Having considered all these points, and the associated evidence and information, I'm more persuaded by Fairmead's view. I'll set out why I've come to this conclusion.

First, Mrs T has referred to the opinions of her contractor about the cause of the leak. But, although she's had the opportunity to provide it, I've not seen any report from the contractor that supports what she's said. Second, Fairmead (their contractor) have provided evidence (including photographs) of the condition of the shower unit and the sealant around the shower tray. The latter is in poor condition. And photographs of the underfloor adjacent to the shower indicates significant water damage. Its proximity suggests the two are linked. Fairmead say the reinstatement work didn't include the shower, so any issues with the unit wouldn't be due to poor workmanship by Fairmead's contractor.

Fairmead say there are also issues with the sink unit and the wall (they say it has come away, leaving a gap). Mrs T says Fairmead's contractor left a gap, but they deny this is the case. What's not clear is how such a gap – even if present – would lead to a leak causing the damage indicated by the photographs. And again, there's no independent evidence or reports from Mrs T to support her view.

Taking all these points together, I've concluded the evidence and information available doesn't support the conclusion that poor workmanship by Fairmead's contractors caused the further leak and associated damage.

That being the case, it follows that it isn't reasonable to conclude the damage to the lounge ceiling was also caused by faulty workmanship, and Mrs T hasn't provided any independent evidence to support that view.

On the issue of the redecoration of the hallway and staircase, the evidence is mixed. There is an email between Fairmead's contractor and Mrs T (dated March 2022) where she is asked for colour preferences for the redecoration. Which implies redecoration was included in the original scope of works. However, the evidence from Fairmead about the scope of works doesn't indicate redecoration was included – the scope indicates painting of the handrail and balustrade, and later varnishing of the wood cladding. And Mrs T was made aware of the scope, but requested the redecoration be added. Fairmead say the wall doesn't show signs of water damage (from the original leak) so wouldn't be covered, and the contractor wasn't authorised to include it.

Considering all the issues together, while there is an issue of expectation on the part of Mrs T, I'm not persuaded there's sufficient evidence provided to date to conclude redecoration should be included under the claim.

Having reached these conclusions, I've thought about the issue of the compensation our investigator thought Fairmead should pay Mrs T.

Given the uncertainty and loss of expectation in respect of the redecoration of the hallway and staircase, this would have caused distress and inconvenience to Mrs T. However, the outcome of her previous complaint to this Service included substantial compensation for the delays she'd experienced in the assessment of the claim. Which would have covered the time taken in assessing the claim. Taking these points together, I think some compensation for loss of expectation and associated distress and inconvenience would be reasonable. But I don't think £400 is proportionate to the specific issues and circumstances of this complaint. Taking account of all the circumstances, I think £150 would be fair and reasonable.

My provisional decision

For the reasons set out above, my provisional decision is that I uphold Mrs T's complaint in part. I intend to require Fairmead Insurance Limited to:

- *Pay Mrs T £150 compensation for loss of expectation and distress and inconvenience.*

Fairmead Insurance Limited must pay the compensation within 28 days of the date on which we tell them Mrs T accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Neither Mrs T nor Fairmead responded to my provisional decision by the date requested.

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

My role here is to decide whether Fairmead have acted fairly towards Mrs T.

As both Mrs T and Fairmead didn't respond to my provisional decision by the date requested, my final decision remains the same as my provisional decision, for the reasons set out in the provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs T's complaint in part. I require Fairmead Insurance Limited to:

- Pay Mrs T £150 compensation for loss of expectation and distress and inconvenience.

Fairmead Insurance Limited must pay the compensation within 28 days of the date on which we tell them Mrs T accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 7 March 2024.

Paul King
Ombudsman