

The complaint

Mr P is unhappy with the service provided by Advantage Insurance Company Limited (Advantage) following a claim made on his home insurance policy.

Advantage is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Advantage has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Advantage includes the actions of any third party instructed by Advantage during the course of Mr P's claim.

What happened

In December 2022 Mr P contacted Advantage to make a claim following an escape of water incident causing damage to his property.

The events following Mr P's claim are well known to both Mr P and Advantage. So I haven't repeated them in detail here. Mr P complained to Advantage about the delay in dealing with his claim, and the quality of repairs completed. Mr P arranged to complete outstanding repairs at his own cost, and sought reimbursement from Advantage for these costs. Unhappy with Advantage's handling of his claim, Mr P referred his complaint to this service for investigation.

The investigator considered the evidence and said Advantage must do more to put things right. The investigator said Advantage had caused unreasonable delay in dealing with Mr P's claim, and had failed to address Mr P's concerns about the outstanding repairs required. The investigator recommended that Advantage reimburse Mr P for the two invoices submitted for £1,797 and £5,270, and add interest at 8% simple per annum from the date of the invoices to the date of settlement. The investigator also recommended Advantage pay Mr P £300 in recognition of the trouble and upset caused by the poor handling of Mr P's claim.

Mr P agreed with the investigator's findings. Advantage said *'It appears we are in agreement with the compensation, but our suppliers disagree with the work you feel is related as they conducted this without authorisation or evidence that these are in scope. Until we receive this evidence, we aren't in a position to confirm what our liability is.'* As the complaint couldn't be resolved it has been passed to me for decision.

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 focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Customer service and delays on claim

Despite being requested several times, Advantage has failed to provide its file to explain its position on Mr P's complaint. Specifically the file notes to evidence work completed on Mr

P's claim after it was reported, and the schedule of works agreed with Mr P at the start of the claim. In the absence of this evidence, I'm persuaded it is fair and reasonable to rely strongly on Mr P's testimony when determining what a fair and reasonable outcome should be.

Mr P has described the delays in progressing his claim, and the upset and frustration caused to him in having to live with shoddy repairs, and continually chase Advantage for updates on his claim. In addition to what Mr P has described, I've also seen that despite the investigator sharing findings on the complaint, Advantage has yet to confirm authorisation of the costs, or the results of its scoping exercise. I am persuaded this adds weight to Mr P's complaint about the continual delays he has faced in the period Advantage has been dealing with his claim. This amounts to poor service.

As the business responsible for managing Mr P's claim, it was for Advantage to have managed the claim proactively. And I can't see that it did this. Advantage ought to have reached out to Mr P sooner, explaining its position on his claim, and what was needed to resolve it. Based on the evidence I've seen, Advantage failed to manage Mr P's claim efficiently, causing delays to the claims process over a prolonged period. It wasn't until this service's recent involvement that Advantage suggested reviewing Mr P's invoices to determine if it could pay these costs. Advantage has provided no justifiable reason for why this wasn't suggested sooner in the claims process.

I'm persuaded Advantage's handling of Mr P's claim has been poor. When thinking about what fair compensation should look like, I've considered the delay, and the continual chasers from Mr P to Advantage in an attempt to try and move his claim forward. And I'm persuaded the impact on Mr P justifies compensation to reflect what's happened. The investigator recommended £300 for trouble and upset caused to Mr P. I'm persuaded this amount is broadly in line with our approach, and I will be directing Advantage to pay the same.

Invoices already paid

It's evident Mr P and Advantage remain in dispute about the costs put forward by Mr P, including about the work that's already been completed, and what Advantage should do to put things right. Mr P has presented an invoice for £1,797 (including VAT) dated 17 December 2022. This likely relates to the initial trace and access following the escape of water incident. Mr P has presented a second invoice for £5,270 (including VAT) for plumbing and bathroom repairs dated 13 July 2023.

In respect of the invoice for £1,797 (including VAT) I have seen that Mr P's policy covered trace and access for escape of water. In the absence of any evidence from Advantage explaining why this invoice isn't/ shouldn't be covered by Mr P's policy, I'm satisfied it is fair and reasonable for Advantage to pay this cost. I'll be directing Advantage to pay this in line with the terms and conditions of Mr P's policy.

Mr P has explained how the bathroom was the main room impacted by the escape of water incident. The incident happened in December 2022. Advantage hasn't provided this service with a copy of the original schedule of works, or its file notes. So, I haven't been able to consider what work was agreed with Mr P from the outset about repairs that would be covered by Mr P's policy.

I have seen that despite it being more than six months into the claim, Advantage had failed to resolve Mr P's claim properly. This led Mr P to paying for the cost of repairs to his bathroom himself. A copy of this invoice was also sent to Advantage. Having reviewed the invoice, I'm persuaded it provided a detailed breakdown of the work completed by Mr P's

appointed plumber. So Advantage ought to have been able to communicate what would be, and wouldn't be, within the scope of Mr P's claim. But I can't see that it did this.

I have seen an email trail from December 2023, involving the numerous parties handling Mr P's claim (representing Advantage). It's evident from this exchange that the parties involved did not agree collectively on who was responsible for dealing with, or responding to, Mr P's concerns. I'm persuaded this also contributed to the lack of response to Mr P directly about his claim, including an explanation for what bathroom costs would be covered, and why.

In response to the investigator's findings, Advantage explained it could not agree to pay any costs without '*authorisation or evidence that these are in scope.*' But despite the time that has passed, I haven't seen any evidence of Advantage reaching out to Mr P or this service to resolve Mr P's claim in respect of the invoices. In the absence of any evidence from Advantage explaining what was agreed with Mr P from the outset about the scope of his claim, I think a fair and reasonable outcome is for it to pay the invoices put forward by Mr P.

I've considered what Admiral has said about not authorising costs because of the uncertainty about whether these are covered in line with Mr P's policy. I've balanced these comments with what Mr P has explained about the time that has passed in trying to resolve his claim, with little response from Advantage.

I do accept that for claims of this type there is likely to be some dispute over the quality of repairs, and what needs to be done to put things right. And I'm also mindful that with the passing of time, some of the issues referenced would be very difficult to determine at this stage to be either incident linked, or wear and tear. But having considered Mr P's testimony, and the delays on the claim being largely caused by Advantage's lack of proactive management of Mr P's claim, I'm satisfied a fair resolution is for Advantage to now pay for Mr P's claim using the evidence that's been provided.

Outstanding remedial work

I note that at the time of referring his complaint, Mr P provided further information about outstanding repairs. And it's unclear if all these issues have now been resolved. When dealing with a complaint about an insurance claim that remains open and on-going at the time of being referred to this service, we limit the scope of our decision making to issues which a business has had the opportunity to answer first.

At this time Mr P is directed to raise any new issues with Advantage to respond to first. Should Mr P's concerns remain unresolved, this would be the subject of a new complaint that would need to be raised with Advantage to answer first.

Putting things right

For the reasons set out above, Advantage Insurance Company Limited is directed to settle the complaint as follows:

1. Pay Mr P £300;
2. Pay the cost of the two invoices submitted for £1,797 and £5,270 (minus the policy excess where relevant); and
3. Add interest at 8%* simple per annum from the date of the invoices to the date of settlement.

*If Advantage Insurance Company Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr P how much it has taken off. It should also give Mr P a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

Advantage Insurance Company Limited is directed to settle Mr P's complaint as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 July 2024.

Neeta Karelia
Ombudsman