

## The complaint

Mr M complains about Accredited Insurance (Europe) Ltd (“Accredited”) for delays in its decision to decline his claim. He wants Accredited to waive the costs of the claim, so it does not affect his renewal premiums going forward.

## What happened

Mr M insured his home with Accredited, via a broker. He took out his policy in October 2022.

In May 2023, Mr M noticed water penetrating his kitchen ceiling, below the bathroom. He arranged for the water to the bathroom to be isolated and submitted a claim for escape of water damage to Accredited.

Accredited engaged a third-party agent to deal with the claim. For the purposes of this decision, I will describe all actions of the agent as being done by Accredited.

As Mr M and his family only had one bathroom at home, they were not able to use this until any repairs were carried out. They had family nearby so stayed with them to use their shower facilities.

Accredited asked Mr M to obtain a quote for repairs, which he did. Accredited did not approve that quote so Mr M was not able to commence repairs. He asked Accredited to carry out repairs directly.

Mr M also obtained a leak detection report at a cost of around £570. This ruled out some possible sources of the water escape and indicated that water was penetrating through degraded sealant and grout in the shower.

Mr M provided that report to Accredited in June 2023. Accredited does not appear to have considered this report at that time.

Mr M chased progress from Accredited at regular intervals. Accredited did not progress the claim meaningfully, but paid to Mr M a disturbance allowance of £30 per day.

Around August 2023, Accredited engaged a contractor to attend Mr M’s home. They then ascertained that the water was due to a failure of grout or sealant and was not due to an insured peril.

Accredited declined the claim in September 2023. By that time it had paid to Mr M over £3000 in disturbance payments.

Mr M complained to Accredited about the delay. After the claim had been declined, he had arranged repairs within a week and so was upset that Accredited had delayed in considering and concluding the claim.

Accredited upheld his complaint. It offered him £300 compensation and reimbursed him for the costs of the leak detection report.

Mr M was not happy and contacted us. He had sought quotes for insurance in September/October 2023 and these showed that the costs of the claim to Accredited were over £5000. His renewal quotes were much higher than previously, and he felt that Accredited had caused his quotes to be higher than they would have been if his claim had been declined promptly.

One of our investigators has considered this matter thoroughly. She recommended that Accredited pay a further £300 compensation to Mr M, to reflect the distress and inconvenience caused to him by the delay.

Accredited has accepted that recommendation. Mr M has not.

Mr M feels that he has lost out on his future insurance costs due to Accredited's delay, and he feels that the compensation sum is not sufficient to reflect this.

### **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 appreciate Mr M's concern, he has demonstrated that his premium quotes are much higher for late insurance periods, and I understand why he feels this is unfair.

I do, however, agree with my colleague and I consider her recommendation is fair in the circumstances.

There is no dispute in this instance that Accredited did not progress the claim decision adequately. It took around 4 months to reach the decision to decline the claim, despite Mr M providing evidence in June 2023. It is also clear that Mr M was chasing progress actively during this time.

Accredited accepted that it failed to give Mr M a good service and offered him £300 compensation for his distress and inconvenience. My colleague recommended that be increased to £600 compensation to reflect the substantial distress and inconvenience caused to Mr M and his family by the delay, which meant they could not use their home fully during this time.

I think this sum is appropriate and in line with other awards made by this service.

Mr M remains unhappy that the total costs of the claim exceeded £5000, as this sum this is shared with other insurers and may his premium quotes. I understand this concern, but there were two claims logged against the policy which contributed to the increase in premiums and Mr M lost his no claims history by making the claims.

Mr M feels that it is unfair that these affect his premiums as he did not benefit from the claims succeeding. I understand his view, but I do not agree. Mr M did receive benefit from the policy by way of the disturbance allowance which made up the major part of the costs of this claim. Whilst this may not fully counter the inconvenience suffered by Mr M and his family, I cannot discount it as a benefit of the policy.

I appreciate that the claim was not accepted and Mr M had to arrange repairs himself, but once the claim was logged then it would have to be disclosed on the shared database for other insurers in any event. Accredited has not acted unfairly in disclosing the costs of the claim.

Mr M feels that the level of cost was exacerbated by Accredited's delay. Again, I understand this, but as set out above, the total cost was primarily made up of payments to Mr M. My colleague has recognised the overall inconvenience suffered by Mr M and her recommendation of compensation reflects this.

Consequently, I agree with my colleague's view. I understand that Mr M does not agree, but I am satisfied that it is in line with other awards and the approach taken by this service.

### **Putting things right**

In order to put matters right, Accredited must pay a further £300 compensation to Mr M, so that the total compensation is £600.

### **My final decision**

For the reasons set out above, I uphold Mr M's complaint and direct Accredited Insurance (Europe) Limited to pay to Mr M a total of £600 compensation (including compensation already paid)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 June 2024.

Laura Garvin-Smith  
**Ombudsman**