

The complaint

G, a limited company, complains about the way Ageas Insurance Limited handled a claim it made on its commercial property insurance policy following a fire which caused damage to the property. G insures a property made up of four flats.

G is being represented in bringing this complaint by its directors, for ease any reference to G includes any comments made by individual directors in bringing this complaint, unless otherwise set out.

Any reference to Ageas also includes its agents.

What happened

In June 2023, there was a fire which caused damage to the roof of the property. Ageas carried out some initial enquiries and in July 2023, around six weeks after it was notified, it accepted the claim.

G complained to Ageas about delays in accepting the claim. Ageas responded to that complaint in mid-September 2023. It said it had needed to carry out enquiries to validate the claim, and those had been more complex than first thought. But it accepted it had, at times, been poor in its communication for which it apologised.

Unsatisfied with Ageas' response, G brought the complaint to this Service. It asked for compensation for the disruption caused. It also wanted Ageas to cover the loss of rental income and the cost of the emergency accommodation. It also asked Ageas to remove loadings it had added for county court judgements (CCJs) and a flat roof. It said Ageas was using those to partially settle the claim as they hadn't been declared at renewal.

Our Investigator reviewed the timeline of events up until the complaint final response of September 2023. She said issues with the CCJs, flat roof and the resultant loadings and claim settlement, had been addressed under a separate, later, complaint by Ageas, so she'd look at those separately.

For the delay issues addressed in the September 2023 complaint response, she didn't think Ageas had acted unfairly. She thought whilst it had taken six weeks for the claim to be accepted, Ageas hadn't caused any unnecessary delay. She said whilst validating the claim, Ageas found CCJs for one of the directors, which hadn't been declared. Those meant the underwriting team had to be consulted which took the claim longer to validate but couldn't have been foreseen by Ageas.

She said there had been some poor communication from Ageas, but she couldn't award G compensation for any distress caused, since the eligible complainant bringing the complaint is a business, and a business as an entity cannot suffer distress, for the purpose of our rules.

Whilst the Investigator was carrying out her assessment, she noted that Ageas had resolved issues relating to the lost rental income, so didn't ask it to do anything differently on that point.

G asked for an Ombudsman's decision. It said it was unreasonable that Ageas didn't carry out any immediate works to secure the property from the elements, given the roof damage. It

said by doing so, the reinstatement would be likely to be more expensive, which will be detrimental to G, especially if Ageas are only partially settling the claim.

As the matter wasn't resolved, it has come to me to decide.

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.

As this is an informal service, I'm not going to comment on every point made, or every piece of evidence provided. Instead, I'll focus on those I consider to be key to the outcome I've reached. But I'd like to reassure all parties that I have read and considered everything provided.

I can see Ageas did initially make plans to secure the roof, I'm satisfied it made these initial arrangements in a reasonable period of time. However, in any claim of this size an insurer will likely carry out background checks, and unfortunately for G, the checks completed here returned adverse information which Ageas had to refer to its underwriters, to see if the claim would be accepted. This meant it didn't go ahead with the temporary roof until those issues were resolved and the claim was accepted at the end of July.

Having considered matters, I think it was reasonable for Ageas to pause on the temporary repairs whilst the claim acceptance was being reviewed. The cost of the temporary roof was likely to be over £20,000 from what I've seen. Had Ageas then declined the claim due to the information it had discovered, it would then be left trying to recover those funds from G. Ageas wasn't to know, when giving the initial assurances to G as to the speed of emergency repairs, of what information would come later to light. So I don't think it acted unreasonably in pausing its plans to secure the roof at that stage.

It then took around four weeks for the underwriters to decide to accept the claim, and on what basis it would do so. I understand that any delay will cause inconvenience, but I'm not satisfied Ageas is responsible for causing an unnecessary delay at that time. I can also see the claim, and the urgency of it, was highlighted by the loss adjuster to Ageas. I can't see that Ageas took longer than it needed to carry out a review. It gathered some further information about the CCJs for example, for the underwriters to consider.

I'm satisfied Ageas made G aware of issues causing a delay, and why that meant temporary repairs couldn't be carried out by it. However Ageas was, for a time, limited to what it could communicate with some of G's directors, due to data protection concerns around sharing one director's personal information. So I can't hold Ageas responsible for not sharing all the pertinent information with G's directors from the outset. I don't see how the situation could have been avoided; Ageas did have a right to carry out enquiries into the background checks it had carried out on G and its directors. But it did have to be considerate of what it shared, and when. And overall, I'm satisfied it took reasonable steps to communicate what was happening with the claim.

G says by not securing the roof, it has caused further damage to the property. I haven't seen any evidence to persuade me that is the case. But in any event, I've already set out that I think Ageas was reasonable in delaying the start of emergency repairs. I accept Ageas could perhaps have been clearer that G could have instructed its own emergency repair, which would be reimbursed if the claim was accepted. However, I consider this is something G would have reasonably been aware of in any event. And, from what I can see, G was contacting its own surveyors to obtain a scope of work for the overall repairs to the property, whilst it was waiting for Ageas claim decision. So I consider it could have taken its own steps to secure the roof in that time.

Once Ageas accepted the claim, I can't see that it caused an unreasonable delay in erecting the necessary scaffolding and temporary roof cover, so I'm not persuaded Ageas has acted unreasonably in relation to the temporary repairs.

G said there was a lack of updates and advice given on the claim. Ageas accepts G had to chase for responses to queries on a number of occasions. It has apologised for that. I accept Ageas couldn't give G any assurances on temporary accommodation or loss of rent as liability hadn't been accepted. It did, though, advise what it would ask for in terms of G's costs, in the event of a valid claim, to put G on notice should the claim be accepted. So it didn't fail to provide any support to G, it just couldn't guarantee it would cover the losses G had incurred through sourcing its own temporary accommodation for residents.

I accept that any period of waiting, when a building has suffered damage, will cause inconvenience. But I can't fairly ask Ageas to compensate for the inconvenience caused due to the fire and resultant claim. And as I'm not satisfied Ageas caused an unreasonable delay in accepting the claim, I can't hold it responsible for the period of uncertainty.

The directors of G have outlined the impact it had on them personally. But as our Investigator pointed out, the policyholder here is G, a limited company. So even if I thought Ageas' actions had caused the directors undue stress, I couldn't make an award to them.

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 G to accept or reject my decision before 26 July 2024.

Michelle Henderson
Ombudsman