

## The complaint

Ms B complains about how esure Insurance Limited handled her home insurance claim.

## What happened

Ms B had an esure home insurance policy. In December 2022, a major water leak caused significant damage to her home. She made a claim on her insurance for the damage and loss of contents.

esure instructed its loss adjuster (LA) to manage the claim. The LA inspected the damage on 4 January 2023 and esure's contractors carried out some basic clean-up and drying work. However, work stalled until esure appointed a second LA on 17 March. Repairs weren't fully completed until August 2023.

Ms B is unhappy that it took 32 weeks from the date of her claim to fully restore her home. She says, in summary:

- Page 3 of her policy booklet says esure will *"arrange for a claims adviser, restoration company, building surveyor, investigator or supplier to come out and visit You as soon as possible."*
- esure didn't do this and left her to arrange contractors, negotiate costs, secure payments, and pay the contractors.
- esure couldn't find the first LA's photos and the second LA *"was heavily critical of esure's actions and the manner in which esure had dealt with the claim in general."*
- The first LA's errors and the need to appoint a second LA caused significant delays. For example: carpets weren't removed until the end of January; the bathroom ceiling was removed on 15 February but wasn't plastered until 7 March; the carpenter didn't begin work until 18 April; the back room wasn't plastered until 25 May; redecoration wasn't finished until 16 July; carpets weren't fitted until 1 August.
- esure showed no interest in resolving matters.
- She was forced to live in her home which *"was far from comfortable and represented a builder's yard at various times."*
- esure made its final payment in July 2023, seven months after she made her claim.
- This caused her significant stress, illness, anxiety, and distress.

esure originally replied to Ms B's complaints about delays in February 2023, while the claim was still ongoing. It replied again in January 2024. It said, in summary:

- It accepted that the requirement for a second LA caused some delays.
- It agreed a cash settlement for the claim and paid this at the end of March 2023.
- This covered the reinstatement works and most contents.
- It made further payments to Ms B in April (contents) and May and June (for Ms B's increased utility costs).
- The claim was closed on 11 July 2023.
- It apologised for the delays offered Ms B a further £150 to apologise for this.

Ms B remained unhappy and complained to this service. She doesn't think £150 is adequate compensation for the delays resolving her claim.

Our investigator didn't recommend that the complaint should be upheld. She explained that this service had already considered esure's handling of the claim to 24 February 2023, so she could only review events from that date until the claim was closed.

She found that esure appointed a LA in March 2023 because the first LA's investigation was incomplete. In her opinion, this was avoidable and delayed progress. However, she thought most of the delays were due to ongoing disputes between esure and Ms B about the settlement amounts for both building repairs and contents. She was satisfied that esure's latest compensation offer was fair.

Ms B didn't accept this, so the complaint was passed to me.

### **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.

This complaint is complicated by the fact that esure issued a final response to Ms B in February 2023, more than five months before the claim was closed and repairs to Ms B's home were completed. This means some elements of the complaint have already been considered by this service. An ombudsman issued a Final Decision on these in January 2024. Specifically, the ombudsman addressed Ms B's concerns about esure's electrician and esure's handling of the claim up to February 2023.

esure says it believes there is "*significant overlap*" with Ms B's previous complaint. I accept this point. As our investigator explained, I'm not going to re-review Ms B's concerns about the electrician. I recognise that this point is very important to Ms B, but I'm satisfied that it's already been considered by this service.

However, Ms B has complained about ongoing delays with her claim after February 2023. I'm satisfied that this service hasn't previously considered this. I think the fairest way for me to assess this is to look at the whole claim, then take into account esure's responses as well as my colleague's previous decision.

Ms B has made detailed submissions to this service about her claim. She also sent esure many emails while the claim was ongoing. I've reviewed everything she's said – both to us and to esure – but I don't think I need to comment on each point to reach the right outcome. I've focused instead on what I think are the key issues.

I've looked at esure's obligations under Ms B's policy. Page 5 of the policy booklet explains how it will settle a claim:

*"If Your Buildings suffer loss or damage... we can choose to pay the cost of work carried out to rebuild, replace or repair Your Buildings; or arrange for Your Buildings to be rebuilt, replaced or repaired..."*

In other words, esure must either arrange for its contractors to do the work or make a cash settlement for the policyholder to arrange their own repairs. Under the policy terms, that choice is esure's. However, I'd generally expect this to be agreed by both parties.

In this case, esure decided to make a cash settlement. Its internal records show that it discussed this with Ms B in early January 2023. A note of a phone call on 6 January says:

*“Advised [Ms B] that our normal stance is to cash settle, however if she wants contractors we can arrange this – but there will likely be a delay in having the repairs done.”* The note goes on to say that Ms B had already arranged some quotes and *“would be ok with having cash settlement.”*

I think esure’s stated policy to cash settle is unusual. I’d be concerned if it was trying to pressure a policyholder into accepting this against their wishes. However, I also accept that a policyholder might prefer to source their own contractors if this means the work could be done quicker, as appears to be the case here.

Importantly, esure continued to offer its own contractors to Ms B but she insisted on a cash settlement. For example:

- esure’s email to Ms B, 22 March: *“The cash settlement to you to have these works carried out is £5530.80 plus VAT. Alternatively, we can appoint contractors to do the work for you.”*
- Ms B email, 24 March: *“...there is, as I have already made clear to you, no way would I allow any organisation instructed by them [the LA] to do any work in my house.”*
- Ms B email, 27 March: *“You state that your Policy entitles me to a cash settlement. That is correct and that is what I seek.”*

It looks like Ms B didn’t want esure’s contractors to carry out full repairs after she had problems with the electrician, asbestos removal caused additional damage, and delays in removing destroyed contents. I can understand this. Given the circumstances, I think esure’s decision to cash settle the claim was reasonable.

This means Ms B – not esure – was responsible for appointing contractors. I know Ms B says she needed the settlement money before her contractors would agree to take on the work, but that’s an issue between Ms B and her contractors. I can’t hold esure responsible for this.

What I can hold esure responsible for is any unreasonable delay finalising the settlement. The first LA inspected the damage on 6 January 2023. It’s clear from esure’s records that parts of the claim – both buildings and contents – weren’t recorded in the first LA’s report. esure’s claims handler proposed a second inspection to resolve this. This was agreed with Ms B on 2 March, however the earliest available date for the inspection was 17 March.

It’s clear to me that there was significant disagreement between the parties about the cost of repairs. This continued even after the second LA inspection. The second LA estimated the cost of buildings repairs at £5,533, plus VAT. Ms B’s contractors’ estimates for the same damage totalled more than £9,500. Given this difference, I think it was reasonable for esure to review the quotes to satisfy itself the cost of repairs wasn’t excessive.

I think esure progressed the claim relatively quickly after the second inspection and the buildings part of the claim was settled on 30 March, less than two weeks later. esure told Ms B: *“On this occasion I feel it appropriate to agree to your quotes in full, at £9534, so as not to prolong the claim any further.”* It issued a cheque for this amount, less the policy excess. Discussions about settlement amounts for contents continued, but I don’t think this is relevant for Ms B’s complaint about her buildings repairs.

I’m satisfied that esure agreed to cash settle the claim at an early stage because Ms B wanted her own contractors to carry out repairs. That meant it was Ms B’s responsibility to get quotes and appoint contractors. I recognise that repairs weren’t finished until the start of

August, almost eight months after the leak that devastated Ms B's home. However, I'm satisfied that the claim for building work was settled at the end of March. I also note that Ms B told esure she wasn't prepared to move into alternative accommodation for personal and work reasons.

I agree that esure caused some delay in progressing the claim. I think the appointment of a second LA resolved this, however those initial delays caused Ms B inconvenience and distress. I agree that esure should compensate her for this. However, as I said at the start, I need to take into account the compensation it's already paid and/or offered.

This service awarded Ms B £250 for esure's poor handling of the claim to February 2023. esure has offered her a further £150. That's a total of £400. Given esure settled the buildings part of the claim at the end of March, I think its offer is fair. I make no other order or award.

I know Ms B will disagree with my decision. I leave it to her to decide whether she wants to accept esure's offer. If she wants to take the matter further – for example through court proceedings – she remains free to do so.

### **My final decision**

My final decision is that I don't uphold the complaint because I think esure's offer is fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 11 January 2025.

Simon Begley  
**Ombudsman**