

The complaint

S has complained about the delay on the part of Fairmead Insurance Limited in handling its claim under its Residential Property Owners Insurance policy for damage to the property insured under it.

S is represented by Mr P, who is a director.

Any refer to Fairmead includes its agents.

What happened

The background to this complaint is well known to S and Fairmead. In my decision, I'll focus on giving the reasons for reaching the outcome that I have.

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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- I can see Mr P raised the issues of the delays on his claim in an email to Fairmead on 3 October 2023. So, I'm satisfied Fairmead had the chance to investigate this aspect of his complaint and that I can consider it.
- The investigations into what happened when the policy was taken out should have started at the outset of the claim, whereas Fairmead didn't start investigating this until June 2023. The investigation took around three months up until Fairmead made its first settlement offer. This was an unnecessary delay because, as I've said, it should have investigated this aspect at the outset.
- There was then a further delay of around two months because Fairmead made what it later accepted was an inappropriate settlement offer.
- These two things combined caused an unnecessary delay of around five months which caused S inconvenience because it was unable to repair the insured property to sell it. And I agree with our investigator that S should receive compensation of £400 for this level of inconvenience.
- I don't think it is appropriate to make Fairmead pay anything for loss of rent, as the property on which the repairs were outstanding was on the market before it was damaged and unoccupied. And, as far as I can see, S had no intention of renting it out again before selling it. I do of course appreciate S might have taken the property off the market if it didn't sell quickly and rented it out again, but it's not possible to say that this would have actually happened.

Putting things right

For the reasons set out above, I've decided to uphold S's complaint and make Fairmead pay it £400 in compensation for the unnecessary inconvenience it experienced due to the delays on its claim.

My final decision

I uphold S's complaint about Fairmead Insurance Limited and require it to pay S £400 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 19 December 2024.

Robert Short
Ombudsman