

The complaint

Mr D complains that Wakam refused to pay extra costs for a claim on his buildings insurance.

Wakam used a third party company to manage Mr D's claim and most of his correspondence has been with this company rather than directly with Wakam. For the avoidance of doubt, any reference to Wakam includes its agents, including the claims handling company.

What happened

Mr D had home insurance with Wakam, bought through an insurance intermediary. In February 2023, he made a claim for damage to a shower. Wakam agreed to cash settle the claim for £2,185 (less the £100 policy excess), based on a quote from Mr D's builder.

Mr D's builder was unable to source the right sized sliding door for the shower. He found an alternative – a moveable deflector panel. This cost £325. Mr D says Wakam's advisor told him he could order this panel during a phone call in May 2023.

Wakam later told Mr D that this panel was more expensive than the sliding door and was betterment. It told him this wasn't covered by his policy and refused to pay the extra cost of the panel. Mr D didn't accept this.

Wakam reviewed its decision but wouldn't pay the extra cost of the deflector panel. However, it said its advisor should have been clearer during the May 2023 call and accepted that its customer service was "*below our expectations*". It offered Mr D £75 to apologise for this.

Mr D complained to this service. He said, in summary:

1. The new deflector panel wasn't betterment because it fulfilled the same function as the sliding door.
2. Wakam's advisor told him he could order the panel.

Our investigator recommended that Mr D's complaint should be upheld. She accepted that part of the original settlement was for a replacement sliding door and a fixed screen. She thought the new deflector panel was a suitable alternative when Mr D's builder couldn't source a new sliding door and didn't think this was betterment. She was also satisfied that Wakam told Mr D he could order the panel. She recommended that Wakam pay the extra cost of the deflector panel, plus interest.

Wakam disagreed with our investigator, so the case was passed to me.

My provisional decision

I issued a provisional decision on this complaint on 17 October 2023. I said:

"This was a relatively straightforward claim for damage to a shower. Wakam agreed to cash settle when its surveyor approved Mr D's quote. Wakam's settlement offer was £2,135, less

the policy excess. The quote we have is dated 8 May 2023 – so after Wakam agreed to settle – and doesn't provide a breakdown of costs. I think it's reasonable to think the cash settlement included the cost of replacing the damaged shower door and screen.

Mr D's builder sent him a text message on 4 April 2023 quoting costs of £605.39, including £263.39 for a "shower glass panel". Wakam accepted this additional claim and paid this on or around 18 April 2023. It also accepted a claim of £235 for plastering and labour in June 2023.

Wakam says, in summary:

- It based its cash settlement on a quote from Mr D's builder, approved by its surveyor.*
- That quote presumably included repairs to the shower, including to the shower doors.*
- Mr D asked Wakam to approve additional costs after it had settled the claim. This prejudiced Wakam's position because it meant the claim was more than it had originally approved.*
- Despite this, Wakam agreed to cover some of these costs (the payments in April and June).*
- However, in Wakam's opinion, the more expensive new deflector panel was betterment. It wouldn't approve this additional cost.*
- If Mr D had included the deflector panel in the original quote, its surveyor wouldn't have approved it.*

I think this is a reasonable argument. Wakam had already paid for a replacement door, either in the original settlement or in the April 2023 payment. It sent us a link showing sliding doors priced at between £100 and £250. While I don't necessarily expect Mr D to choose one of these specific examples, I'm satisfied that Mr D's builder would have been able to find an alternative for the sum Wakam had already paid out.

I understand Mr D's argument that the old shower (sliding door plus fixed screen) is "not materially different" from the replacement (fixed screen plus deflector panel). That might be true in function. However, there's a significant difference in cost. I don't think Wakam should be liable for this.

I've listened to the relevant phone call between Mr D and Wakam in May 2023. The Wakam advisor told Mr D he wouldn't be able to approve the new cost until the following day. However, when Mr D explained that his builder needed to order the deflector panel that day, the advisor told Mr D: "You can go along with the ordering of the deflector panel.... But your claim handler will give you a call tomorrow morning to confirm everything we're doing just to tell you what is covered with the claim, if that's ok?" Mr D replied: "Yeah, that's fine yeah."

I think this was confusing and sent Mr D a mixed message. The advisor told Mr D he couldn't approve the cost of the new deflector panel but a few seconds later told Mr D he could order it. I think the advisor should have clearly explained that Wakam would need to review this additional cost before it agreed to pay for it.

However, I'm satisfied that the advisor didn't tell Mr D that the panel would be covered by his insurance. I'm also satisfied that his mistake doesn't mean Wakam should be liable for the cost of the panel. I think it acted fairly by agreeing some of the additional costs claimed by Mr D post-settlement. I think its offer of £75 to apologise for its poor communication is also fair. I leave it to Mr D to decide if he wants to accept this."

Responses to my provisional decision

Mr D didn't accept my provisional decision. He said:

- He ordered the deflector panel and had it fitted "*on the say so of the advisor*" during the May 2023 phone call.
- If the claims handler had called the following day as promised, and made it clear that the panel wasn't covered, Mr D would have returned it and got a refund.
- The claims handler didn't call "*for days*", asked for more information, then "*weeks later*" declined the claim.
- If the advisor and/or claims handler had been clear, he wouldn't have bought the panel.

We asked Wakam to comment on these points, as well as my provisional findings. It said:

- It told Mr D that his emails (relating to the extra costs) were under review.
- His May 2023 phone call was, in its opinion, an attempt by Mr D to "*hurry on the approval process*".
- It emailed him the day after this call to say his emails were still under review. It sent us a screenshot of this email.
- It doesn't think it was fair for Mr D to conclude that these costs had been accepted.
- It believes its £75 offer is fair.

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 thought about what Mr D said about Wakam's communications. Below is the timeline of his claim for the deflector panel and plastering:

- 21 May. Mr D claimed additional costs (deflector panel and plastering, plus labour).
- 22 May. Phone call with Wakam advisor, as above.
- 23 May. Claims handler's email to Mr D: "*we have received your emails and will get them reviewed as soon as possible.*"
- 25 May. Wakam asked Mr D to provide invoices for the additional costs. Mr D emailed them.
- 1 June. Wakam told Mr D it wouldn't refund the cost of the deflector panel.

As I said in my provisional decision, the phone call with the advisor was confusing and, in my opinion, sent Mr D a mixed message. I think the advisor should have clearly explained that Wakam would need to review the extra costs before it agreed to pay for them. But the advisor didn't agree that Wakam would pay these costs, as Mr D suggests. When pressed, he told Mr D he could order the panel but said the claims handler would call the following day to discuss this.

I agree that the follow up call didn't happen. Instead, the claims handler emailed Mr D to say he would review the claim as soon as possible. At no point did Wakam confirm it would pay for the deflector panel. It told Mr D that it wouldn't pay this on 1 June.

I don't think this timeline – seven working days, taking into account the bank holiday weekend – is unreasonable. Wakam was asked to pay additional costs after it had already settled Mr D's claim, so I think it's fair that it should be given the chance to review these

costs. So I don't accept Mr D's suggestion that Wakam caused any unnecessary delays.

I'm satisfied that Wakam had already covered the cost of replacing the shower door in the original settlement plus the April payment. I think it acted fairly by declining Mr D's later claim for the deflector panel. I think its offer of £75 to apologise for poor customer service in relation to the May 2023 phone call is fair.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 November 2024.

Simon Begley
Ombudsman