

complaint

Mrs H has complained about her home insurer Allianz Insurance Plc in respect of a claim she made to it when a toilet cistern cracked and water damage occurred.

background

On 2 February 2017 Mrs H found water dripping in her drawing room, she discovered the cistern in the bathroom above had cracked. There was damage to the bathroom floor and walls, as well as to the ceiling, walls, curtains and carpets in the drawing room, along with some belongings in there too. She made a claim to Allianz.

Allianz appointed a loss adjuster and he visited Mrs H's home on 10 February 2017. His report records that he has appointed "F" to restore contents items. He doesn't clarify what is to happen regarding the repair to the damaged parts of the building.

The property was due to be dried around 20 March 2017, and the relevant rooms were cleared with items going into storage, or being taken by F for restoration. In a further report from the adjuster dated 13 April 2017 he notes that he has authorised F in respect of both the buildings and contents reinstatement work. Around this time F began asking Mrs H for wallpaper choices – she had high quality silk paper, this proved difficult to source and it needed specialist installers to fit it. The type of paper also meant all other repairs, including the fitting of the carpet, needed to be done first.

By August 2017 Mrs H had found a wallpaper she was happy with and Allianz was prepared to pay for. F was preparing to fit the paper towards the end of October but it was noted that Mrs H hadn't yet chosen a carpet. By December 2017 matters had not moved on and Mrs H raised concerns with F and the loss adjuster that her floor was damp. The carpet in the room had been removed in March – leaving bare floor boards sitting on a concrete slab.

F attended the property in January 2018 to look at the floor. It wasn't persuaded the floor was damp due to the water leak and told Mrs H she would have to resolve the issue before it would fit the carpet and paper the walls. Mrs H obtained two reports, one from a flooring specialist and one from a woodworm expert. Both reports noted damage to the floorboards and indicated this had likely been caused by the leak. The flooring specialist also looked at the slab and said he felt this had been damaged by standing water – likely as a result of the property not being dried properly. The reports were sent to Allianz.

The loss adjuster asked for details of moisture readings taken during the early stages of the claim. F said Mrs H had instructed a drying contractor "M", it had only become involved in reinstating the buildings damage later. In May 2018 F told the adjuster that what had happened at the start of the claim was now immaterial as it had acted to replace the floorboards anyway. It provided an invoice for this work, which included the cost of treating woodworm. F reported that, by June, it was ready to lay the carpet.

In October 2018 Mrs H, via her broker, raised further concerns with the loss adjuster. She said she was worried about the state of the slab – that F had not dealt with this issue. It was agreed that F would re-attend. Around this time Mrs H also noted that the replacement F had undertaken had involved it fitting plyboard in place of the damaged timber floorboards. Following its visit F agreed to swap its installation for floorboards as had been there originally – but maintained that it had not been responsible for drying the property and that the damage to the slab was likely the result of a pre-existing damp issue.

Later Allianz agreed to appoint a surveyor to give a specialist opinion on the cause of damage. However, in January 2019, before matters progressed in that direction, it issued a final response to the concerns Mrs H had raised. Its content reflected F's position on the matter. It clarified that once the works had been done Mrs H's contents would be returned.

Mrs H was unhappy, she didn't think it was right the claim was still going on after two years. She also didn't agree with Allianz regarding the drying of the property – she said she had not instructed anyone and, in fact, no drying had ever taken place. When she complained to us she explained the toll this had taken on her. She said because all her contents had been taken away she'd been left to sit in her kitchen or in bed for the last two years. She said her health had been affected by all the stress she'd been under and she provided a letter from her doctor. Mrs H said she wanted the claim to be completed to her satisfaction and for compensation to be paid. In terms of compensation Mrs H told us she'd be looking for at least £25,000. Later, her son, who has represented her at times, said compensation should be based on a portion of her mortgage costs, plus an amount to reflect her poor health – so £72,000+.

Our investigator did feel Allianz had failed Mrs H, but was aware the claim issue had since moved on. In terms of compensation for upset caused by its failures, he felt it should pay Mrs H £2,000.

Allianz said it agreed with the findings. Mrs H did not. She felt the compensation was insufficient. The complaint was passed to me to review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. My background above summarises the events which took place. My focus is on the key aspects and events which have impacted the claim and/or caused upset. But I have read and understood everything.

I think Allianz did fail Mrs H on this occasion. Like our investigator, I think things should have resolved long before Mrs H felt the need to complain to us. For example, I note that Allianz has latterly instructed a surveyor to determine the damp issue. The appointment of the expert means it would be inappropriate for me to offer any view as to Allianz' liability for resolving it. But I do think Allianz should have acted much earlier to appoint an expert to determine the matter. Mrs H had raised a serious concern about how the property had been dried and provided expert reports which appeared to support her concerns. The reasonable response at that time, given F had already denied liability and given its view on the cause of damage, would have been to appoint an independent expert. But that didn't happen. Proper management of the claim at this time would likely have shortened its lifespan dramatically.

I think that in the first year of the claim, 2017, there were likely some problems in progressing it which were beyond Allianz' control. But I bear in mind that as early as July 2017 Mrs H raised concerns with it about how the claim was progressing. I accept she went to a lot of effort to obtain updates. Broadly speaking I think it could've been managed better during this period – if it had, the delays wouldn't have been so protracted.

Throughout all of this Mrs H was without her contents items. I accept this was upsetting and frustrating for Mrs H and likely did affect the way she lived and used her home.

I've seen the letter from Mrs H's doctor. Sometimes the evidence I see from doctors is not very compelling – often ailments are listed and there's no clear detail about what caused them, or the effect any on-going claim might be having. But here Mrs H's doctor explains the illnesses or conditions have either been caused by stress, or where Mrs H has suffered from them previously, they have been exacerbated by stress. In his opinion the situation with the claim has "*contributed hugely to her current poor health*".

Having seen everything that went on here, I am satisfied that Allianz should pay Mrs H £2,000 compensation. I see it has agreed to that and I think that reflects the fact it accepts that its handling of this claim has had a severe impact.

I appreciate that Mrs H feels the sum is insufficient, and that she wants tens of thousands of pounds in redress. Whilst not wishing to take anything away from what Mrs H has felt and experienced, I have to explain that sums like that are not in line with awards generally made by this service. For example, whilst the least Mrs H has asked for is £25,000, it is only in the most extreme of circumstances that we make awards of £5,000. Mrs H has been through a lot and much of it could have been avoided if Allianz had handled things better. But when I make an award, I have to take into account our guidance and awards made in similar circumstances. Having done that, I'm satisfied that £2,000 compensation is fair and reasonable in the circumstances here.

my final decision

I uphold this complaint. I require Allianz Insurance Plc to pay Mrs H £2,000 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 27 February 2021.

Fiona Robinson
ombudsman