

## **complaint**

Mrs A and Mr B are unhappy about the handling of a water damage claim under a buildings policy. The policy is provided by UK Insurance Limited (UKI).

## **background**

The property suffered a water damage claim. UKI took some time to accept the claim as it considered some issues around the occupancy of the property. Eventually, the claim was accepted and works started.

Mrs A and Mr B are unhappy with the standard of the repairs and complained about the lack of communication and service from UKI and its loss adjusters. Some parts of the claim were not accepted as connected to the water damage by UKI. Problem issues included the damp within the property, the stairs, the roof and the electrics.

This complaint was further complicated by work stopping for a period while allegations about Mrs A and Mr B were investigated further. However, UKI accepted that Mrs A and Mr B were not made aware of the reason for the delay at the time.

The problems did not cease there. Mrs A and Mr B stated that a bedroom wall had been taken down without permission. However, UKI state that discussion was undertaken with Mrs A and Mr B prior to the wall being knocked down. UKI continued by saying that the wall had to come down as it was a danger due to poor construction.

Overall though UKI did accept that there had been poor levels of communication and service from the loss adjuster and apologised for this.

Mrs A and Mr B produced a report from their own independent surveyor in January 2012. The report stated that there were problems with the standard of the repairs carried out. Following the report UKI reconsidered the works and agreed to undertake further action to repair the property. Mrs A and Mr B were unhappy to have the original loss adjusters involved in any on-going works in view of the previous problems.

A couple of other issues between Mrs A and Mr B, and contractors who did some of the original works will not be considered as part of this decision as this is subject to court proceedings.

Our adjudicator dealt with a large number of issues stating that UKI should amongst other things:

- pay its original offer of £10,720.90;
- pay £3,000 for distress and inconvenience;
- take the required and agreed actions put forward in the adjudication in relation to the 26 items accepted by UKI;
- repair and re-plaster the walls;
- reimburse the damp proof course works plus 8% simple interest on receipt of evidence of costs;
- pay alternative accommodation costs subject to evidence;
- pay costs for Mrs A and Mr B's surveyor.

Although this dealt with many of the issues Mrs A and Mr B still felt many other aspects needed further consideration. These included:

- the removed wall;
- the roof;
- the stairs;
- the windows.

Therefore, Mrs A and Mr B remained unhappy with the offers and requested a final decision from an ombudsman.

### **my provisional findings**

In this case I was required to issue two provisional decisions due to the amount of evidence and information that was provided at each stage. My second provisional decision is repeated below:

*“Mrs A and Mr B pointed out.*

- *costs for the plug sockets and light switch plates like the original ones they had at the property – they said the replacements provided by UKI were B&Q bargain range and have since gone rusty;*
- *a quote for the replacement fireplace from the shop where they purchased the original (plus installation costs) in the sum of £1,099;*
- *costs of the door handles that have rusted;*
- *they have yet to obtain the solicitor’s costs and the cost of a report from a structural engineer for the roof and bedroom wall;*
- *they are still unsure what UKI is offering for the 26 items set out in the adjudication and agreed by UKI;*
- *they feel the agent’s estimates for the repair costs are not the true costs of the work required.*

*Mrs A and Mr B’s solicitor responded to the provisional decision and many of the points made have been raised and dealt with previously. Therefore, I am only going to deal with matters raised that I feel were not dealt with within the provisional decision:*

- *Mrs A and Mr B have not seen the letter of instruction and question whether the agent was instructed to carry out a full structural report;*
- *Mrs A and Mr B made payments direct to the builder, which they now know they should not have done;*
- *Mrs A and Mr B are concerned about the electric and gas certificates sent to UKI as when they were signed the contractors did not have access to the property;*
- *He said that Mrs A and Mr B would like to obtain a structural report on the roof.*

*UKI also responded to the provisional decision and said it had nothing to add, but commented on the following:*

- *UKI agreed to pay the reasonable costs for the consulting fees on review of the fees – it notes that it does not appear to have been presented any costs in this regard;*
- *it asked for clarification regarding my comments in the provisional decision on reviewing the ceilings. It has said the report did include some costs for ceiling repairs;*

- *it provided a copy of the electrical certificate;*
- *it agreed the additional costs for the sockets and switches up to the sum of £270;*
- *regarding the fireplace, it has said that the replacement it fitted was different to the original but that there was nothing to suggest it was of lesser quality. It would now like Mrs A and Mr B to provide evidence regarding the original fireplace. It is also unhappy about the fitting costs and suggests further estimates should be sought;*
- *it agreed the costs of the door handles and locks in the sum of £158.77.*

*Although I have been clear about the issues on this complaint I am still getting conflicting details. Therefore, I will work through the bullet points in order as follows:*

- *the fireplace remains an issue and I am not persuaded that UKI has added anything in its further comments. It would seem unlikely after such a period that Mrs A and Mr B would be able to provide the evidence UKI request. However, as Mrs A and Mr B wish to use the shop that fitted their original, and have provided the estimate details, UKI would be perfectly entitled to check with the shop regarding quality and the fitting costs. To me Mrs A and Mr B have put forward a reasonable option and UKI should try to conclude matters based upon the estimate details provided;*
- *regarding solicitor's and structural engineer's costs, I did note in my provisional decision that based upon the evidence I had seen, UKI had not acted unreasonably regarding the wall and the roof. Regarding solicitors costs, it is rare for such costs to be awarded by this service and I have seen no reason in this case to change that;*
- *turning to the 26 items an email of the agreed items from UKI was passed on to Mrs A and Mr B in December 2013, in my opinion this is clear. The exact costs would need to be reasonably assessed by UKI;*
- *I commented in the provisional decision about the lack of clarity about what is included within this complaint and what could be a new complaint. I also pointed out that UKI should be given the opportunity to undertake the work. Therefore, it seems to me that Mrs A and Mr B's feeling that the estimate is wrong is just that. UKI will be completing the work and therefore will have to deal with any errors regarding its costs. In view of this though the offer put forward for £10,720.90 should for the moment be set aside. I have no reason to doubt either Mrs A and Mr B or UKI, but as I have stated - UKI should undertake the work. This should deal with the concerns of Mrs A and Mr B and allow UKI to know that it is in control of the costs;*
- *in relation to any letter of instruction and if a full structural survey should have been conducted, I am unsure of how this will take the complaint forward. I do not know why this was not discussed at the time as it appears that agents of UKI may therefore have been at the property and Mrs A and Mr B did not know why or what for. I suggest that finding this out now will not take the complaint any closer to resolving matters;*
- *the payments to the builder I suspect form part of the legal proceedings;*
- *within the provisional decision I pointed out that UKI should urgently update Mrs A and Mr B regarding the correct situation for certification – this remains the case in regard to any issues regarding the certificates;*
- *regarding now getting a structural report on the roof at this late stage would to me be something for Mrs A and Mr B to decide upon. It would not be considered as part of this complaint. Any issues that arise from such a report would need to be put before UKI for consideration before potentially becoming part of a new complaint;*
- *when the email from UKI was passed on by this service covering the 26 items it also requested details regarding the consulting fees. Once Mrs A and Mr B provide these UKI should deal with this as agreed;*

- *UKI say some costs had been included in the previous report regarding ceilings. Therefore, I see no lack of clarity UKI know ceilings need to be dealt with, have been in costs, and therefore should be done.*

*At this point a decision was ready to be issued. However, I then received a further batch of documents regarding this complaint from the local MP.*

*These documents are an attempt by Mrs A and Mrs B to deal with a point I made previously about issues that some aspects of this complaint have either not been raised previously or have just not been dealt with. At least based upon my last correspondence there can be no doubt that Mrs A and Mr B have done what they can to pull all the details together. I appreciate the time and effort taken and I will stick to the headings they have used to try and keep to this.*

*Firstly, as I do not know what UKI has seen of these details I will ask our adjudicator to arrange to have all of it passed on to ensure that any items that have not been reviewed have been seen by both parties. UKI can update Mrs A and Mr B on any issues this creates.*

*I will work through the headings in the order I have received them:*

- *wall – I understand what Mrs A and Mr B say about the wall. However, I am not sure what I can add. I accept that there was an issue around communication. I suspect if the further survey that Mrs A and Mr B are considering gets done this may be an area that comes under further scrutiny along with the roof. However, at this point I am not persuaded to change what I have said previously on this;*
- *heating system – radiator valves – these issues have been linked by Mrs A and Mr B when I had previously separated them. The independent report did not make a link between the radiator valves and the claim and therefore I am still not persuaded. However, I did say regarding the heating system problems that UKI needed to act;*
- *fixtures and fittings – in my opinion here the new information is about the fitting of the cooker. I understand that Mrs A and Mr B say the certificate information is not correct. This will be sent to UKI to update;*
- *general damage – again I have based my findings on the independent report. However, the photographs will be passed on to UKI;*
- *electrics – the independent report did not pick up on the points made by Mrs A and Mr B. Again, I am struggling to understand why details are now in front of me that do not seem to have been discussed when surveys were in progress. UKI need to review these details and update Mrs A and Mr B;*
- *stairs – I have looked at the third party details now provided but I am not convinced it says that the stairs need replacing and I do not change my findings on this;*
- *plaster cracking – I do not feel this is a new issue I suggest that this is covered by the point in the provisional decision that UKI should undertake the works;*
- *ceilings – this was covered in the provisional decision;*
- *woodwork – the issue of the staining was certainly covered in the provisional decision. The other issues ought to be reviewed and if not dealt with to a suitable standard could lead to a further complaint;*
- *plumbing – these issues appear to me to be new. Therefore, UKI need to consider them and update Mrs A and Mr B;*
- *drying out – I note that the correspondence from the MP suggests different times taken for drying out to those previously noted. The details I have seen from the contractors that Mrs A and Mr B wanted to use showed 28 days hire for equipment.*

*The actual invoices for the works done show 25 days. There is nothing to suggest that if the contractor had concerns after 25 days he would not have carried on. Alternatively, despite the original quote being for 28 days there is nothing to say if Mrs A and Mr B's preferred contractor had been used they would have been happy to finish a few days early. Again, in this case as UKI are coming back to the property any issues can be pointed out and hopefully dealt with while UKI agents are on site;*

- *tiling – Mrs A and Mr B say they have had an expert review of the works done and that the work is not up to standard. In this case UKI had agreed to review the tiling and action as necessary, so unless this is for other areas previously not considered, UKI should be able to deal with this when it is on site;*
- *roof – I can see the points Mrs A and Mr B are making. However, I am guided by the expert evidence. I suggest the structural survey that they are considering may highlight once and for all what the issues are;*
- *out of pocket expenses – I am unaware how much of this documentation has been seen by UKI and how much of it has been included within the settlements as they stand. UKI should review the details and update Mrs A and Mr B.”*

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mrs A and Mr B made several further points I will highlight the main elements below:

- UKI would not enter into any kind of dialogue even when Mrs A and Mr B involved a solicitor – UKI have ignored every attempt made to try to resolve this;
- UKI accepted the loss adjusters word over Mrs A and Mr B regarding the wall – why would Mrs A and Mr B complain about it for the past three years if they had known that it was going to be removed. Further third party correspondence was attached for review;
- Mrs A and Mr B refused to pay anything towards the wall costs as they maintain the original was removed without permission;
- the cracking on the stairs is terrible and getting worse – they were unable due to personal circumstances to insist the surveyor lift the stair carpet to inspect it;
- some of the report details have been misinterpreted;
- some of the damage was done by UKI contractors rather than the actual claim – why should Mrs A and Mr B pay for this;
- the beams do need to be re-plastered;
- the front door is damaged;
- the kitchen tap is leaking;
- Mrs A and Mr B want their solicitors' fees paid;
- Mrs A and Mr B have no faith in UKI's ability to refurbish the property. The original loss adjuster and contractor are not welcome;
- The property was not dried out properly – that is why there is so much damage.

UKI responded with some points:

- UKI still wish to cash settle for the offers previously put forward;
- UKI feel completion of the works by its agents would be unsuccessful;

- Subject to agreement of the remaining works arising from the water damage UKI wish to again make a cash offer – this would allow Mrs A and Mr B to use their own contractor;

I do not dispute what Mrs A and Mr B say however I am satisfied that the issue of getting the works reviewed was covered by my provisional decision. With UKI back on site Mrs A and Mr B have every opportunity to put every concern and issue to UKI. Mrs A and Mr B have stated previously that the cash offers just do not add up to enough to allow them to do the work but they are not keen to have previous adjusters and contractors involved. I can understand that. It is down to UKI to agree with Mrs A and Mr B who it will be providing to review the property.

Although both parties suggest UKI doing the work will not solve the problem Mrs A and Mr B also point out that the cash offers so far will not cover the costs of the necessary works. This is just in relation to the claim before Mrs A and Mr B point out to the UKI agents the further damage they say was caused by the UKI contractors. It seems highly unlikely with offers that are seen as too low will somehow be considered acceptable once the outstanding issues have been reconsidered.

Regarding the solicitors' fees Mrs A and Mr B want these paid. However, they also point out that UKI did not respond to their solicitors. It is rare for this service to require payment of such costs and I do not see any reason in this case to depart from our usual stance.

Overall, in this case the only fair and reasonable solution is to maintain my provisional decision. I cannot see how suitable resolution can be reached any other way.

### **my final decision**

I uphold this complaint.

I require UK Insurance Limited to:

- carry out the works covered by its previous cash offer of £10,720.90;
- pay £3,000 compensation for distress and inconvenience;
- deal with the 26 items from the adjudication;
- repair and re-plaster the walls;
- reimburse Mrs A and Mr B for the costs of the damp course plus interest at 8%;
- pay Mrs A and Mr B's alternative accommodations costs, plus interest subject to proof of costs;
- pay for Mrs A and Mr B's surveyor;
- replace the fireplace with a like for like one approved in advance by Mrs A and Mr B;
- offer for the heating system external controls and wiring;
- remove and replace the plaster around the beams.

Other factors that require review and consideration are:

- the stair posts and banister;
- the attic access;
- the landing light;
- fire alarm;
- ceilings;

- missing electrical certificates and electrics;
- woodwork;
- plumbing;
- out of pocket expenses;
- fixtures and fittings or contents.

The cost of remedial works should not be added to the claims costs on Mrs A and Mr B's claim record.

To any cash settlement (apart from the distress and inconvenience award) simple interest should be paid at 8% simple per annum (less tax properly deductible) from the date the cost was incurred to the date of final settlement.

I make no other award against UK Insurance Limited.

John Quinlan  
**ombudsman**