

complaint

Mr M has complained about his home insurer Allianz Insurance Plc in relation to a claim he made for water damage to his property.

background

Mr M contacted Allianz at the beginning of May 2016 as a blocked down-pipe had caused water damage to his lounge, including masonry and woodwork. Allianz accepted the claim and carried out a scope of work later that same month. It didn't put drying equipment in until July and it was the end of August before any reinstatement work started.

When work started Mr M noticed it was particularly poor. For example, some bespoke architectural cornices had to be made and fitted as part of the reinstatement and Allianz' contractors then damaged these during decoration. As the end of September approached the work still wasn't completed and Mr M had to cancel a party he'd had planned for several months (while expecting the work to be done by the time the party came around).

Mr M told Allianz he wasn't prepared to let the contractor finish the work. He then noticed that work included within the scope had not actually been done. The scope had allowed for repair of timbers affected by dry rot. The dry rot hadn't been treated and the timbers had been left in situ. Mr M complained to Allianz.

Allianz wrote to Mr M in November 2016. It accepted it had caused delays, missed appointments and communicated poorly. It said it would pay £500. Allianz also accepted that poor work had been done and noted it had offered to put that right but Mr M had chosen to take a cash settlement so his own contractors could be appointed.

Allianz re-scoped the work and Mr M set about getting quotes based on the new scope. Quotes were submitted to Allianz in December and it paid out on the basis of the lower quote at the end of January 2017. Mr M instructed contractors who started work on 27 March 2017. Once the area was opened up though it was discovered that the dry rot had spread and more extensive work was required to reinstate the property than had first been necessary. The work was completed by 18 April 2017 and Mr M paid the invoice for additional works on 25 April before sending a copy to Allianz. Allianz reimbursed the funds to Mr M but this wasn't until 27 June 2017.

Mr M felt Allianz had never dealt with the upset he had been caused after November 2016 but because of the failures that had occurred before this time. He explained the inconvenience he'd been caused by having to be responsible for getting the work done and the upset he'd felt at having his home disturbed all over again. Not to mention the dust and all the disruption that goes along with this type of work.

Allianz considered what Mr M had said and offered a further £250 compensation. Mr M wasn't minded to accept this.

Our investigator felt that £750 total compensation was fair and reasonable but Mr M didn't agree. I then reviewed the complaint and felt that £1,000 compensation would be fair and reasonable and I told Allianz this. I also noted that Mr M had been out of pocket for two months following his payment for the additional work, so I told Allianz it should pay interest on the reimbursed amount. Allianz made no objection to my findings.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having reviewed all of the circumstances here I think Mr M had what should have been a relatively simple and straightforward claim. It shouldn't have taken so long for it to be resolved. If things had been handled properly; with proper planning and communication, and the required work completed competently, this should all have been done and dusted by the beginning of August 2016. Instead it was the end of April 2017 before the works were complete.

It's clear that the poor communication at the start of the claim was frustrating for Mr M and the lack of proper updates resulted in more stress. I say that because, to me, it's clear that some delays in the work starting were necessary because the property needed to be dried. But a clear plan of action never seems to have been set out to Mr M – if it had been then he likely wouldn't have been so frustrated. I also think the need for drying should have been spotted sooner.

Mr M clearly has a home with some high-grade finishes; the cornicing that had to be replaced is not something that is found in most homes. And I can understand how upset Mr M was to see this damaged by the contractor. It seems the finish achieved in other areas wasn't good either. I can quite understand why Mr M didn't want them to come back to finish the outstanding work.

It was only after this point that it was realised that not all the work on the scope had been done. And this wasn't just a few immaterial things that had been missed – it was major work that should have been done while the plaster finish was off the walls and that was necessary to prevent further damage occurring to the home. I accept that when Mr M found out about this he experienced extreme frustration and worry. His fears were also borne out in the end because more damage had occurred and more extensive repairs were needed.

And I also accept that a huge amount of distress as well as inconvenience was caused to Mr M by having to go through the repair process for a second time. While Allianz allowed for the work to be completed by Mr M's own contractor, which is what he asked for, that choice came with its own inconveniences. While Allianz did offer to send its original contractors back out I don't think this was a reasonable response in the circumstances. It could have offered to appoint its own specialist contractors and Mr M might well have accepted an offer on those terms (which is very different to allowing those who have already damaged one's home and avoided doing agreed and very necessary work back to do so again). That would have meant all the hassle, stress and pressure he had by appointing the contractors himself would have been avoided.

I think, overall, £1,000 fairly and reasonably compensates Mr M for the distress and inconvenience Allianz has caused. I'm aware that Mr M hasn't cashed either cheque Allianz sent to him and the first at least is now out of date. For ease I'm going to require Allianz to make a payment for the full compensation amount.

Mr M had to pay for extra work to be done. Extra work that all stemmed from Allianz' failure to do the required work in the first place. While Allianz always needed time to consider the additional invoice I don't think it's fair that Mr M is left out of pocket as a result, because if Allianz had done things properly in the first place Mr M would never have had this outlay.

Therefore, it's only fair and reasonable that Allianz pays interest* on the £1,339.20 that Mr M paid for additional work, from 25 April 2017 (the date he paid the invoice) until 27 June 2017 (when payment was received from Allianz).

my final decision

I uphold Mr M's complaints. I require Allianz Insurance Plc to:

- Pay Mr M £1,000 compensation.
- Pay Mr M interest* on the amount of £1,339.20 from 25 April 2017 until 27 June 2017.

Both payments are to be made within 28 days of the date in which we advise Mr M has accepted my final decision (if he does). If either or both are paid later then interest on the outstanding sum will have to be paid, applicable from the date of my final decision and until settlement is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 March 2018.

Fiona Robinson
ombudsman