



complaint

Mr and Mrs E are unhappy with the handling and the extent of the settlement offer from Ecclesiastical Insurance Office Plc, following a claim for an escape of water to their holiday home in December 2010.

background

Mr and Mrs E seek financial compensation for their losses based on the following elements:

1. Loss of use.
2. Travel costs.
3. Maintenance charges.
4. Council tax.
5. Carpet fitting additional costs.
6. Repairs to kitchen damaged by workmen.
7. Electricity used during period by workmen.
8. Labour costs to retile ensuite bedroom two.
9. Storage costs.
10. Remedial work to woodwork/paintwork.
11. Tiles.
12. Gas used by workmen.
13. Water used by workmen.

Mr and Mrs E have provided a breakdown in support of their losses.

It took some 20 months before the property was returned to Mr and Mrs E as repaired. There were various factors that caused delay, including the original contractor being forced into administration. Mr and Mrs E also cite poor management of the claim and the fact that a number of items had to be redone because of poor workmanship.

Ecclesiastical has acknowledged that, whilst there were some circumstances outside of its control, the claim duration was too long.

It was prepared to pay £2,000 towards loss of use. It agreed that Mr and Mrs E incurred more travel expenses than they should have. It said however that it had paid for repair of items not related to the escape of water claim. It indicated that the other expenses had been agreed, but would not pay council tax or maintenance charges.

Mr and Mrs E rejected the settlement offer and brought the matter to this Service for review.

our initial findings

The adjudicator upheld the complaint and wrote to Ecclesiastical on such a basis making the following points:

In respect of the loss of use, he noted that the property was not let out for financial gain, but used by Mr and Mrs E and their family for their holiday occupation and the family were not charged for its use. He concluded Ecclesiastical's settlement for this was fair and reasonable. He thought that Ecclesiastical should contribute £500 to the travel costs, and

that it should pay Mr and Mrs E £500 for the distress and inconvenience caused to them. As regards items 5-13, he felt that Ecclesiastical should consider payments for these items. Mr and Mrs E should supply, on request, supporting evidence of these claim items

Ecclesiastical agreed to the adjudicator's findings in full.

The settlement offer was put to Mr and Mrs E for consideration but they maintained that the much larger sum sought by them was justified in the circumstances.

As no agreement could be reached between the parties, Mr and Mrs E asked for a final decision from an ombudsman.

my findings

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

Firstly I will not here go into the history of the claim, other than to acknowledge that whilst this was a difficult claim for Ecclesiastical to resolve, nevertheless I find its claim handling to have been poor. I consider all parties agree this to be the case and I do not see any useful purpose in expanding on this issue.

It does appear to me that there were delays in dealing with the case and that Mr and Mrs E had to wait much longer than they could reasonably have expected to before the property was fully repaired. As the property is now repaired and this is accepted by Mr and Mrs E, all that remains in dispute is how financially Ecclesiastical should account to them for their reported losses (1-13 above).

I am in agreement with the settlement proposals put forward by the adjudicator and largely for the same reasons.

council tax/ maintenance charges

With regard to the council tax and maintenance charges, whilst I understand Mr and Mrs E's argument that they did not have use of the property, nevertheless these are charges which have to be paid whether or not the property is out of use (subject to refunds from the Council). I would not expect the insurer to pay these.

loss of use

The policy covers payment for loss of rent. However if, as in this case, the property was not rented out, then normally we would not expect the insurer to pay under the terms of the policy. I appreciate that Mr and Mrs E have suffered through not being able to use the property for a considerable time. It is right therefore that they should be compensated for that. I don't think that loss can be exactly quantified since, as I have said, there is no loss of rent. Under the circumstances I think that the figure of £2,000 put forward is a fair reflection of the compensation required for the time they were unable to use the property and that it is fair and reasonable.

travel expenses

I appreciate that Mr and Mrs E had to do a lot of travelling to check up on and supervise the claim. For any insurance claim, especially one of this nature, the consumer will be involved in extra expense and time in dealing with it. Ecclesiastical has recognised that Mr and Mrs E probably did do more travelling than should have been necessary. It has accepted the adjudicator's recommendation of £500. Again it would be difficult to quantify how many "unnecessary" trips they did. I can only assess it on the basis of what I consider to be fair and reasonable, which I think the proposed payment is. I agree that it should be paid and not linked to payments made outside the claim itself (which Mr and Mrs E dispute in any case).

distress and inconvenience

The adjudicator proposed that, in recognition of the difficulties and upset caused to Mr and Mrs E, Ecclesiastical should pay to them £500 for distress and inconvenience. I have taken into account all the circumstances of the case and appreciate that it was particularly stressful for them. However, I do think that the proposed payment is reasonable.

other expenses

These are items 5-13. Ecclesiastical has agreed in principle to pay these, subject to proof of payment such as invoices etc. Mr and Mrs E are concerned about the delay in paying these. I think this can be addressed by Ecclesiastical paying interest on any outstanding payments.

summary

I consider that the proposed settlement is reasonable and I will direct accordingly.

my final decision

My final decision is that I uphold this complaint in part. I direct Ecclesiastical Insurance Office Plc to

- pay to Mr and Mrs E £2,000 to compensate them for the loss of use of their property and £500 towards their travel expenses
- pay to Mr and Mrs E £500 to compensate them for the distress and inconvenience caused to them by its handling of their claim
- deal with payment for items 5-13 in the list above, subject to Mr and Mrs E providing satisfactory proof. To any cash payment made, it should add interest at 8% simple per annum (less any tax properly deductible) from the date the payments were made until the date it reimburses these payments.

Ray Lawley
ombudsman