

The complaint

Mr T has complained that Gresham Insurance Company Limited didn't settle a claim he made under his home insurance policy.

What happened

The facts aren't in dispute. Mr T has a policy excess of £1000. Mr T's toilet cistern pipe came loose causing water to escape downstairs via the back of the wall, flooding the kitchen and appliances. Gresham sent out its contractor who reported that the cost of repair was less than Mr T's excess. Mr T was unhappy with this as he didn't feel Gresham had taken into account the fact that his oven and microwave had been damaged. He felt that the whole kitchen needing replacing.

Following enquiries from our investigator, Gresham has said that they would consider a report from a qualified electrician regarding electrical damage to Mr T's appliances.

As agreement hasn't been reached the matter has been passed to me to decide.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr T's policy and the circumstances of his claim, to decide whether I think Gresham treated him fairly. Having done so I agree with the conclusions reached by the investigator. I'll explain why.

I'm satisfied from the detailed schedule of works I've seen that the costs to repair insured damage will be less than the policy excess. The schedule includes decorating and for electrical reports and testing. I appreciate that Mr T feels that the whole kitchen needs replacing but the contractor evidence I've seen doesn't support that. It seems the carcass of the tall unit was damaged, along with a section of ceiling. The cost of the repair works is less than £1000, which is the policy buildings excess. In other words that amount is payable by Mr T before Gresham's liability commences. In these circumstances I don't find that Gresham has treated Mr T unfairly in declining his claim.

I understand Mr T feels that there will be a mismatch of units in his kitchen as the units he has are no longer sold. Mr T does have matching items covered under his policy. However, the contractor's evidence is that the doors are undamaged, therefore don't need replacing.

Gresham is prepared to consider a report from an electrician in order to determine if the oven and microwave were damaged by water. I think this is fair. Mr T should send the report directly to Gresham for its consideration. If it's clear that the items *were* damaged by the escape of water Gresham should reassess the claim and also pay the cost of the report.

I do understand Mr T's disappointment and frustration. He's paying for insurance and when an insured event happened, he didn't feel that Gresham responded as it should and the matter is still not resolved for him. I note that it's taken a toll on his wellbeing. But I can't say that Gresham have treated Mr T unfairly or contrary to his policy terms in relying on the schedule of works, given there is no independent evidence to challenge it.

For completeness I would add that Mr T also complained initially about his toilet cistern pipe – which was the cause of the water escape. Gresham explained that the cause of the leak was a maintenance issue and not covered by his policy. I haven't seen any evidence to suggest that this wasn't a maintenance issue. I can't therefore conclude that Gresham turned down Mr T's claim unreasonably or treated him unfairly.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 September 2023.

Lindsey Woloski
Ombudsman