

The complaint

Mr K and Mrs K have complained about how Accredited Insurance (Europe) Ltd ('Accredited') dealt with a claim under a home insurance policy.

As Mrs K dealt with the claim and complaint, I will normally only refer to her.

What happened

Mrs K contacted Accredited following a fire in her home. Accredited accepted the claim. Mrs K later complained about the delays in progressing the claim, issues with settling it and poor communication.

Accredited didn't reply to the complaint. Mrs K complained to this service. Our investigator upheld the complaint. She said Mrs K kept having to chase for updates, there were also delays in settling the claim and issues with a contractor. She said Accredited should pay interest on the settlement amount and £300 compensation.

As Accredited didn't agree, the complaint was referred to me.

I issued my provisional decision on 18 September 2023. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

Looking at the records for the claim, Mrs K had to chase throughout the claim for it to progress. At the start of the claim, she phoned and sent messages through Accredited's portal on multiple occasions to find out whether she and her family could move to alternative accommodation and asking Accredited for confirmation of how much it would pay for the accommodation. Although Accredited replied, these seemed to be more general messages about the claim. It didn't respond for several days to Mrs K's urgent requests for clarity on accommodation, despite her explaining that she couldn't live in her home due to the level of damage.

Mrs K also sent multiple messages through the portal about the contents claim. At one point, Mrs K was told her file handler was absent and that he would deal with it on his return. Mrs K was still chasing for a settlement weeks later. Accredited also asked if its contractor had PAT tested the appliances. When Mrs K confirmed the contractor hadn't done this, Accredited said this should have happened. From what I've seen, this was down to poor communication between Accredited and its contractor and delayed the contents claim settlement. Mrs K also kept asking when the contents claim would be finalised as there were a lot of items in her home that needed to be disposed of, but this couldn't happen until the settlement was agreed. Accredited later removed the damaged items, but Mrs K then had to chase for the settlement for the items. Mrs K said this left her and her family without key items such as a washing machine or anything to sit on. I'm aware Accredited made an interim payment of £2,000 before it made the full contents settlement payment.

An asbestos survey was also completed at the property. Mrs K had to chase for the asbestos survey results and for the scope of works. When Mrs K received the scope of

works, she found that a number of items were missing. The scope of works then had to be revised to include these items.

So, I think there were a range of issues that delayed the claim settlement. I'm aware Accredited has said it was dealing with a surge in claims at the time. It said it was a complex claim and the claim had been settled within a reasonable time. I think there were a number of avoidable delays during this claim and that these impacted on the timing of the settlement. Mrs K chased multiple times for the contents claim to be progressed. She was told her file handler was absent and that she would have to wait for his return. The contents was then removed from Mrs K's home, but she wasn't offered a settlement and had to chase for this. I think Accredited could have settled the contents claim earlier than it did and that Mrs K lost use of the money for a period of time because of the delays.

So, I currently intend to say that Accredited should pay interest on the contents settlement from 18 February 2023 to the dates on which the interim payment was made and the full contents settlement was paid, respectively. I'm aware that enquiries continued after this date about the contents claim, but had the claim progressed more promptly overall, it could have been settled earlier. By this date, Mrs K had been told her file handler was absent and would need to progress the claim on his return. He still seemed to be absent on this date, but someone seemed to take some action on the claim, although Mrs K still had to continue chasing.

For the buildings part of the claim, I currently think Accredited needs to pay interest on this element of the settlement from 7 March 2023 to the date on which the cash settlement was paid. On this date, Accredited appointed a contractor to fit the windows and doors. Mrs K had to remind Accredited that it was a cash settlement. These items were then missed off the settlement figure. On this date, Accredited also said it thought the costings for the kitchen units need to be verified for overall accuracy. It then said another surveyor would need to visit. Although, I think it is acceptable for an insurer to verify costs, Accredited seemed uncertain whether it could rely on what had been already identified. So, I think this delayed the overall claim settlement.

I'm aware Accredited would always have needed some time to assess the damage and decide the settlement. I also can't say what date the settlement would have been paid had the claim progressed without delay. For both of these dates, I've based them on what I think is fair and reasonable having reviewed everything that happened.

I've also thought about compensation. Mrs K had to chase several times about the alternative accommodation at what was already a difficult time and while she was living in her fire damaged home. She also had to contact Accredited on many occasions over a four-month period to keep her claim moving. I think this caused Mrs K distress and inconvenience beyond what I would normally expect with this type of claim and over a prolonged period. The contents was also removed, but Mrs K was left for a time with no money to replace the items. In my view, this meant she was caused further inconvenience, in addition to the financial loss itself. Mrs K was also concerned that contractors carried out work in her home and when they left for the day, her home was left unlocked. The contractor also used her bathroom without permission. As a result, I currently intend to say Accredited should pay Mr K and Mrs K a total of £450 compensation because of the impact on them of how the claim was handled.

I asked both parties to send me any more information or evidence they wanted me to look at by 16 October 2023.

Mr K and Mrs K said they had nothing further to add.

Accredited agreed with paying interest on the settlement amounts. However, it said the amount of compensation was too high.

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.

Having done so, I've decided to uphold this complaint and for the reasons given in my provisional decision. As part of that, I've looked again at the level of compensation, as I'm aware Accredited has said compensation of up to £300 would be more appropriate.

When I decided the amount of compensation, I took into account the amount of compensation we would normally award in a range of scenarios, as described in our published guidance on this. At the start of the claim, I think Mr K and Mrs K were caused immediate concern by Accredited's lack of response on alternative accommodation, despite Mrs K explaining she couldn't continue to live in her home due to the level of damage. There were then a series of issues over a period of months to try and bring the claim to a conclusion, which seemed to require Mrs K to regularly chase for progress. Later in the claim, Mrs K and her family were also left without furniture for a period of time, including anything to sit on, and contractors left her home unlocked. So, I think Mr K and Mrs K were caused a range of concerns and inconvenience on multiple occasions and over a prolonged period of time. As a result, I remain on the view that £450 is an appropriate level of compensation.

Putting things right

Accredited should pay 8% simple interest on the settlement amounts and £450 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is decision that this complaint is upheld. I require Accredited Insurance (Europe) Ltd to:

- Pay 8% simple interest on the contents claim settlement from 18 February 2023 to the date on which the interim payment was made and the remainder of the contents claim was paid, respectively.
- Pay 8% simple interest on the buildings claim from 7 March 2023 to the date on which the buildings part of the claim was settled.
- Pay £450 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 14 November 2023.

Louise O'Sullivan
Ombudsman