

The complaint

Mrs W has complained about the settlement paid by The National Farmers' Union Mutual Insurance Society Limited ('NFU') under her home insurance policy, regarding damage to oak windows.

What happened

Unfortunately, Mrs W's property suffered two floods in 2020. She held home insurance with NFU at the relevant time and submitted claims for the damage caused. One element of the damage for which Mrs W claimed, was mould damage to oak windows in the property. NFU accepted and settled the claim in part, however Mrs W was unhappy with the level of cash settlement. She didn't consider that it was sufficient to allow her to restore the windows to the condition they were in before the floods. Following a complaint by Mrs W to NFU, it maintained its position that it had settled the claim in a fair and reasonable manner.

Mrs W was unhappy with NFU's response and referred her complaint to this service. The relevant investigator didn't uphold Mrs W's complaint and considered that NFU had acted in a fair and reasonable manner. She noted that NFU had paid a total of nearly £1,600 for damage to the windows and considered that it was acceptable for it to settle at the level at which the repairs would cost NFU. She also considered that NFU had been fair to say that it could consider further costs Mrs W had incurred if she could provide appropriate evidence.

Mrs W remained unhappy with the outcome of her complaint. The matter has therefore been referred to me to make a final decision in my role as Ombudsman.

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 key issue for me to consider here is whether NFU acted in a fair and reasonable in all the circumstances. I consider that it did, and I'll explain why.

I firstly turn to Mrs W's submissions. She said that the property hadn't recovered properly from the floods and that the home had been immaculate prior to this. She was looking to be fully compensated for damage to all 17 oak windows. Mrs W said these were affected by mould after the home was left empty for two years awaiting decisions by NFU. She said that there had been huge amounts of water in the property which had resulted in a significant amount of mould. Mrs W said that she had left dehumidifiers and drying machines on continuously. She said that as it was winter however, they couldn't cope.

As to restoration, Mrs W said that her partner had restored the downstairs oak windows the best they could. Upstairs, they had '*bleached and started to rub down.*' as they thought the presence of black mould was a health issue, so that they could move forward with decorating and return to their home. Mrs W said that NFU refused to pay out in accordance with the quote she'd received for £4,800. This was received from a specialist who'd been recommended. She hadn't been able to wait for NFU, as it was holding up work. She said

that the cash settlement of nearly £1,600 paid by NFU was wholly insufficient and that it wouldn't cover the cost of restoring the windows and sills to their original condition. She said that in one email, NFU had said that she could get new replacement oak windows with the settlement and so *'obviously have not looked at the cost of individual made oak windows.'*

Mrs W said that NFU had completed no work whatsoever on any of the windows. The one window it did replace was part of a door, and she wasn't claim for that. She also disagreed that NFU had offered that its own contractor would repair the oak windows. If it had, she said she would have accepted this as it would have saved much pain and effort. As to evidence requested by NFU, Mrs W asked whether she should submit a timesheet or, *'do I get the assistance of an expert to complete the renovation of our once perfect oak windows?'*

I now turn to NFU's submissions. It said that the matter had extensive background history, with concerns noted throughout. As to the specific issue of the windows, it had explored several options to quantify the loss, including giving Mrs W the opportunity to appoint one of its preferred contractors. It said that Mrs W had declined, as she advised that she was doing the repairs herself. Despite the fact that Mrs W had submitted the quote for window repairs, it didn't think that Mrs W had no intention to utilise them.

It said that despite doubts about the cause of the mould, it previously made a global offer which had been accepted and paid to Mrs W, *'to contribute and assist with...windows.'* It submitted that the property didn't have adequate damp proof membrane in the chimney. It considered that in all the circumstances, a payment of just under £1,600 was a reasonable settlement. It thought that Mrs W and her partner were either completing the work themselves or had someone in mind. It said that it had allowed Mrs W to make the decision on whether she used the contribution towards replacing the windows or getting someone in to get them professionally cleaned.

NFU noted that in February 2022, Mrs W had contacted it to advise that a radiator thermostat required urgent relocation to prevent further mould growth upstairs, and this had been authorised. It considered it had therefore acted swiftly to respond to issues. It considered that Mrs W had turned the dehumidifiers off on occasions, as she was concerned about electricity bills and safety aspects. NFU said it had politely reminded Mrs W that this was impacting upon the mitigation and drying regime strategy and might prejudice the claim.

NFU said that the evidence didn't show that the damage to the top floor windows was due to the flood. It had nevertheless agreed to consider *'the reasonable cleaning costs that our contractors would have likely charged.'* NFU said that its loss adjuster had quantified the loss based on £100 x 8 first floor windows and £266 x 3 ground floor windows. Its loss adjuster noted that the damage to the first-floor levels wasn't extensive. NFU said that as six ground floor windows had already been sanded and cleaned, and one was being replaced, this then left three ground floor windows, which were still to be addressed at the time.

In summary, NFU said that despite not having received evidence of any incurred losses, it had issued a global settlement of £1,600. Contributions had also been paid previously in relation to decoration and contractors' costs. It had therefore raised this further payment in good faith, *'whilst asking our insured to please submit the actual incurred losses with an itemised breakdown.'* If it received such evidence, it said it may be able to consider a further contribution, however this was subject to validating the reasonable and necessary losses which had been incurred. In conclusion, it said it had taken a pragmatic approach to resolve the claim and considered its offer to have been very reasonable and generous.

Having considered all of the available evidence and submissions of the parties, I'll now explain why I haven't upheld this complaint. Mrs W has submitted that 17 windows in total had been damaged due to the floods, and that mould had appeared on them. Mrs W had

obtained a specialist quote to '*strip and refinish*' 16 windows and the quote was for £4,800. However, I've seen no evidence of the costs actually incurred in relation to the work which has in fact been carried out.

There has been conflicting evidence from the parties in various respects. NFU states that it gave Mrs W the opportunity to use one of its preferred contractors, and that Mrs W had indicated that she wished to arrange this work herself. Mrs W states that NFU didn't provide this option. However, it's not necessary to determine this issue in favour of one party or the other. The relevant questions for determination are whether the window damage was caused by an insured peril, what was the extent of any damage, and whether any costs have been or are to be incurred to remedy that damage.

Mrs W is adamant that the mould and damage was caused by the flood initially, and potentially due to replastering work following the flood, and difficulties and delays in carrying out the work. NFU hasn't discounted these potential causes. However, it's pointed out three additional possible factors. Firstly, it says that there is a lack of a damp course, which it states its experts identified as an issue. Secondly, its records indicate that Mrs W had switched dehumidifiers off on occasions due to her concerns. Thirdly, it said that the property had been dried out shortly after the flood and so it was unlikely that this had caused problems on the first floor. NFU said that it had nevertheless taken a fair and pragmatic approach by offering a global settlement to include any window damage. It also said that it had acted reasonably in tackling what Mrs W thought to be an issue, by paying for the thermostat to be moved.

Having considered the above factors very carefully, I consider that, on the balance of probabilities, at least some of the mould and damage appeared as a consequence of the flooding incident, and the length of the claims process. Whilst the property may have dried out quickly, the time it's taken to bring the property back into habitable condition and re-plastering, may well have contributed to the mould growth. This will have been exacerbated by pre-existing issues and particularly if dehumidifiers had been switched off occasionally, and I find that this was likely to have been the case. In the circumstances, I conclude that a number of factors are likely to have contributed to the mould and damage. I also conclude on the balance of probabilities that not all factors were due to an insured peril or due to NFU's actions. I therefore consider that it acted in a fair and reasonable manner by taking a pragmatic approach in making a global offer of settlement for the windows.

As to the extent of the damage, I consider the evidence of Mrs W's specialist to be persuasive in this respect. The quote dated February 2022 refers to work '*to strip and refinish*' the oak windows. NFU refers to the word '*preparation*'. Again, on the balance of probabilities, this doesn't indicate that wood or frame replacement was required and that the damage in the circumstances was likely to be surface damage rather than more serious damage and rot. It's not necessary for me to make a determination as to whether the quote for such work was reasonable in the light of the final question below, and no alternative quote has been submitted for comparison purposes.

Finally, I've received no evidence to show the level of costs which have been incurred by Mrs W to date in order to remedy the mould and to restore the windows. From the available evidence, I consider it likely that some of the work has already been carried out by or on behalf of Mrs W. In all the circumstances, I'm satisfied that NFU has taken an approach which is pragmatic, but also fair and reasonable. Its loss adjuster has applied standard rates in making its cash settlement of approximately £1,600. It's also explained and justified the reasoning for applying different rates to the ground floor and first floor windows. I also consider that it's acted in a fair and reasonable manner in agreeing to consider any further claim for work by Mrs W, if this is supported by necessary evidence.

In all the circumstances, whilst I appreciate that this decision will disappoint Mrs W, I consider it to be a fair and reasonable outcome to the complaint.

My final decision

For the reasons given above, I don't uphold Mrs W's complaint and I don't require The National Farmers' Union Mutual Insurance Society to do any more in response.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 17 December 2023.

Claire Jones
Ombudsman