

## **The complaint**

Mrs and Mr G are unhappy that Soteria Insurance Limited (SIL) decided to cash settle their claim rather than complete repairs.

The buildings and contents policy was in joint names but, for ease of reading, I'll refer only to Mrs G throughout my decision.

## **What happened**

Mrs G's kitchen was damaged by an escape of water from her bathroom, so she claimed under her policy. Mrs G was unhappy with the settlement SIL offered and she brought her first complaint to us.

SIL offered a cash settlement of around £5,000, or to visit her home again to reassess the damage and settlement amount. Our service decided that SIL's offer was fair, which concluded our involvement in the first complaint.

Mrs G decided to allow SIL to reassess the damage, which resulted in a revision of the scope of works and the cost of materials. Mrs G considered using private contractors, but they were too expensive. SIL set about planning the repairs. Mrs G wanted to make some changes to the layout of her kitchen, and she accepted that she would need to pay for the additional cost. However, Mrs G didn't think it was fair that she should pay the associated labour costs.

SIL reviewed the overall claim. Having done so, it decided not to continue using its own contractors because of the repeated visits, change in work requirements and delays out of its control throughout the claim process so far. SIL wrote to Mrs G to say that it would be paying a cash settlement instead.

Mrs G complained. She didn't think she was responsible for the delays, and she said she hadn't asked for a different layout of kitchen beyond moving an appliance. Mrs G also said the contractors were happy to carry on with the work, despite SIL's claim to the contrary.

SIL looked into the complaint and issued a final response explaining that its decision remained the same. Mrs G brought her complaint to us.

Our investigator didn't think SIL had made an unfair offer. He said that because SIL wasn't responsible for the delays, it was reasonable for SIL to make a cash settlement in line with the policy.

Mrs G didn't agree. She said SIL caused the delays and made untrue claims about her wanting changes to the layout and the reason for the contractor not wanting to complete the work.

The complaint was 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.

Having done so, I've decided not to uphold Mrs G's complaint. I'll explain why.

Firstly, I'd like to clarify that I won't be looking at any of the issues raised in Mrs G's first complaint. This service has already reached a final decision on that matter. I referred to it earlier simply for background information.

Both Mrs G and SIL provided a lot of information about the complaint. I won't refer to everything; instead, I've considered the overall complaint, and I'll comment on specific evidence where I think it helps explain my decision.

### **Cash settlement**

Mrs G's main complaint is that SIL decided to cash settle her claim instead of using its contractors to complete the kitchen repairs. SIL said it decided to cash settle because of the time the claim had taken without any progress.

The terms and conditions of the policy allow SIL to repair or cash settle a claim. Mrs G wanted its contractors to complete the repairs and SIL was initially dealing with the claim in that way. But SIL decided to cash settle after two and a half years passed without any meaningful progress with the repairs.

For me to uphold Mrs G's complaint about this matter, I'd need to see evidence that SIL unfairly changed its settlement from repair to cash payment. The reasons SIL gave Mrs G were:

- She asked for additional work and to change the layout, such as knocking down a wall.
- Little progress was made with her kitchen choice in over two years.
- Its contractors weren't responsible for the lengthy delay.
- Due to the time taken trying to finalise the work needed, its contractors were no longer able to carry out the work.

On the face of it these reasons seem fair. But Mrs G said that SIL's claims were untrue, so I've looked at what the evidence tells me.

### **Layout changes**

Mrs G said she didn't ask for a layout change, but she agreed she asked to move one appliance. In her correspondence with this service, Mrs G said, "*The layout of my kitchen had changed very marginally... as I had moved my [appliance] to the rear of my kitchen*". This is also reflected in her email correspondence with SIL, along with her initial thoughts about knocking a wall down.

However small the layout changes might've been, and whether or not Mrs G decided against them in the end, they were still matters which SIL had to consider in its handling of her claim.

Therefore, I'm satisfied the evidence supports SIL's point that Mrs G sought additional work beyond simply repairing or replacing the damaged parts of the kitchen on a like-for-like basis.

### **Disputed causing delays**

Mrs G said she didn't cause the delays. I note that SIL's comment about the delays was that its contractors didn't cause them.

During claims of this nature, delays can be experienced through no fault of either party. For example, I see Mrs G waited for quotes for work by the contractors outside the claim process, which affected her response times. That's not unreasonable. I also note Mrs G changed her mind about the kitchen units because her original choice wasn't similar to the damaged units. Again, that's not unreasonable and I'd expect her to seek the closest replacement in terms of quality.

These are just examples of the evidence which tells me, overall, that it would be unreasonable to hold SIL responsible for the lengthy delays in progressing the claim.

### **Contractors**

SIL said its contractors weren't able to continue because of the delays. But Mrs G said they told her they were happy to carry on.

Firstly, I understand that Mrs G has a recording of a conversation with the contractors supporting her position. Unfortunately, she said the recording hasn't captured both sides of the conversation. Nevertheless, I see no reason to doubt what she says.

However, regardless of whether the individual contractors told Mrs G they wanted to continue with the work, I've seen evidence in SIL's account notes which confirm the contractors weren't able to carry on because of the time everything was taking.

It may be that the difference in opinion is due to the level of authority within the contracting company. But, regardless of the reason, I'm satisfied that SIL reasonably reported that its contractors confirmed they weren't able to carry on with the work.

I understand Mrs G would've wanted her kitchen repaired to a standard as close to that as she had before the damage. And I can see why it would be a good opportunity to make some changes while already dealing with the upheaval. But the evidence doesn't persuade me that SIL's reasons for deciding to cash settle instead of continuing with repairs was unreasonable in all the circumstances of the claim.

### **Contribution ceiling**

Mrs G said SIL caused delays because it wouldn't confirm a ceiling on the amount she'd need to contribute towards the cost of work. Her contribution would be for anything additional she wanted which didn't form part of the claim.

As the work wouldn't be part of the claim, it would be done on a private basis. Therefore, SIL would have no responsibility in respect of the additional work. Mrs G would've needed to get more specific information from the contractors completing the work, regardless of whether they were the same team as that used by SIL.

### **Reply to emails**

The final point I'll address is Mrs G's comment that SIL didn't reply to her. I've looked at the email evidence, but I can't agree that SIL never responded to Mrs G's emails. I can see chasers to Mrs G for her response to its questions, and, in general, the contact was two-way. I see no reason to uphold this element of complaint.

In summary, the evidence doesn't persuade me that SIL caused the claim to last more than two years, or that it unfairly decided to pay a cash settlement rather than complete the work.

I won't be asking SIL to do any more.

**My final decision**

For the reasons I've given above, my final decision is that I don't uphold Mr and Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 31 August 2023.

Debra Vaughan  
**Ombudsman**