

The complaint

Mr T complains about the service he received from QIC Europe Ltd following an escape of water at his property

What happened

Mr T held a buildings and contents insurance policy, which is provided by QIC Europe Ltd (QIC). He also held home emergency cover.

In October 2022 he noticed that the bathroom floor was damp and there was a damp patch on the wall in his spare room. He believed this has been caused by an electric shower because the damp was worsening when the shower was in use. So, he contacted QIC to report an escape of water claim.

Mr T said, prior to making his claim, he hadn't claimed under an insurance policy before. So, he was unfamiliar with the claims process.

QIC informed Mr T to instruct a plumber to undertake trace and access work and to repair the leak that was causing the escape of water. It also appointed a company, which I'll refer to within this decision as "T", to attend Mr T's home in order to install equipment to carry out the drying works.

T attended Mr T's home on 2 November 2022. However, Mr T noticed T was using a body worn camera (BWC). He said he observed T enter parts of his property that weren't affected by the escape of water and capture images from areas that were irrelevant to the claim. Mr T said he objected to the use of BWC and made this clear to the contractor from T that was in attendance. He also wrote to QIC on 5 November explaining his objection.

QIC also instructed a surveyor to attend Mr T's property, which I'll call "S". Mr T said the surveyor was due to attend his property on 29 November 2022. He stated that, on 25 November, this appointment was subsequently rearranged for 7 December 2022, leaving him in a position where he'd taken annual leave from work which he wasn't able to cancel.

On 7 December, S attended Mr T's property to assess and validate the claim. S was satisfied the claim was valid and scoped the reinstatement works. While S wasn't using BWC, two contractors from T also visited Mr T's home wearing BWC.

Mr T said he instructed T's contractors to disable their BWC and, again, made clear his objection to the use of such equipment. But they wouldn't enter Mr T's home without their BWC enabled.

Mr T spoke with T over the telephone during the second visit taking place. He stated that the tone of the member of staff he spoke with was unpleasant, threatening and coercive. He also said the staff member threatened to involve the police to retrieve drying equipment that had previously been left at Mr T's home by T if he didn't permit contractors to enter his home with BWC. Mr T wasn't prepared to do so.

Mr T stated that, later that day, a cash settlement was offered to resolve his claim. He said he hadn't agreed or requested that his claim be settled in this way and wanted QIC's appointed contractors to undertake the necessary reinstatement works. But he said he wasn't given this option and was, instead, told his claim would be settled in cash.

Mr T explained that he felt under pressure to accept a cash settlement which he didn't fully understand. He stated that there was no settlement breakdown so the offer wasn't transparent. He said this meant he didn't know whether the offer included all recoverable costs including the cost of electricity used by the drying equipment. And he said he found communication with QIC evasive, disjointed and incoherent, which added to the trouble and upset he experienced.

Mr T felt he was being penalised by QIC in how it was dealing with his claim as a result of refusing to allow BWC to be used. So, he complained about the way in which his claim had been handled. He asked QIC to address his concerns about the use of BWC by T and its behaviour during the telephone call on 7 December 2022, which he said was unprofessional and distressing.

On 17 January 2023, QIC issued its final response to Mr T's complaint. It stated that body worn cameras are used by T when attending policyholder's homes in the interests of safety, such as when T had attended initially to install drying equipment. It stated that the footage would be used to assess the validity of a claim and explained that such evidence was securely saved with access restricted to a select and small number of staff.

QIC apologised that T had attended Mr T's home a second time wearing BWC. It stated that T had assumed this would be acceptable given that BWC had been in use during its previous visit. QIC explained that, as use of BWC was company policy, it wasn't upholding this part of Mr T's complaint.

QIC looked into T's conduct over the telephone on 7 December 2022 as part of its investigation into this complaint. It acknowledged that the member of staff that Mr T had spoken with had talked over him and raised his voice. It apologised for that experience and stated that feedback had been provided to the relevant member of staff.

QIC explained that it wanted to progress Mr T's claim further but that it wasn't able to do so if he refused to allow T to return with the use of BWC. It stated that it needed to collect the drying equipment that had been left at Mr T's property by T.

Being dissatisfied with how QIC proposed to resolve Mr T's complaint, he referred it to our service. Our investigator empathised with Mr T and recommended upholding his complaint. They thought he'd experienced aspects of poor service and told QIC it should pay £300 compensation to resolve this complaint. QIC agreed with our investigator's view of this complaint. But Mr T didn't. He thought he should be awarded more compensation and asked an ombudsman to decide his complaint.

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.

I'm very sorry to hear about the difficulties Mr T experienced here. I can appreciate how he thought his claim would be resolved quickly with minimal stress and inconvenience. I recognise that didn't happen here and have taken into account how stressful and inconvenient this all was for him.

Our service assesses complaints independently within a fair and reasonable remit – we don't act for either a consumer or a business. And I want to assure Mr T and QIC that, in considering this complaint, I thought very carefully about what happened here.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I must base my decision on the balance of probabilities.

My role is to assess whether I think QIC made a mistake, or treated Mr T unfairly, such that it needs to now put things right. I can see all parties have gone to some trouble to provide our service with some detailed points about this complaint. I've read everything they've sent us. But I hope they'll understand if I don't address every comment they've made in this decision. I intend to concentrate on what I consider is key to this complaint.

I'll say at the outset that our investigator undertook a very thorough and comprehensive investigation of this complaint. I agree with the view they reached in upholding this complaint and I'm persuaded that the compensation they recommended is a fair amount for QIC to pay for the distress and inconvenience Mr T suffered. Indeed, there's not a great deal I can add to what our investigator's already told Mr T. I think they set out the position very clearly and thoroughly.

The available evidence shows that Mr T didn't receive clear communication from QIC about the progress of his claim or what was covered under his policy. He was told to repair the leak himself. This wouldn't be something his policy with QIC covered in line with the terms of his buildings insurance policy but this was something he could have been indemnified for under his home emergency insurance policy.

Prior to Mr T instructing a plumber to attend his home, I can't see that QIC explained to him that he could have cover for repairs relating to damaged or leaking pipes under his home emergency policy. I'm not persuaded QIC checked whether Mr T had home emergency cover which I'd have expected it to do as it had access to such information. And I'm therefore satisfied that QIC missed an opportunity to assist Mr T with the claims process, which was particularly important here due to naivety of the claims process.

Based on the evidence I've seen, QIC only informed Mr T that he had the benefit of home emergency cover after he queried why he was required to pay for repairs to the leaking pipe. It wasn't fair that Mr T found out he had cover under his home emergency insurance policy only after challenging a request that he pay for repairs. I think this created a feeling of mistrust and confusion that could have been avoided.

I understand that Mr T received automated messages from QIC via its insurance portal that were irrelevant to how his claim was progressing. This would have caused confusion and frustration. And it would have unnecessarily complicated the claim process for Mr T and caused it to become disjointed.

Mr T complained that his appointment with S was rearranged, which impacted on him because he wasn't able to cancel his annual leave. I'm satisfied this appointment was cancelled with proper notice and I'm not persuaded it was QIC's fault that the appointment couldn't proceed. So, I'm not directing QIC to cover the cost of Mr T's wasted annual leave.

In the overall circumstances, I'm persuaded that QIC could have handled and progressed Mr T's claim more efficiently and in a way that would have offered greater assistance to someone who was unfamiliar with the claims process. I've taken that into account in my assessment of the compensation Mr T should be paid here.

Mr T has explained in detail how the use of BWC caused him distress. He wasn't informed, prior to T attending his home, that the field contractor would use BWC. So, this came as a shock to him when T visited his home on 2 November 2022.

QIC appears to believe that its use of BWC was justified and reasonable here. It informed our investigator that its policy is for staff to use BWC when attending the homes of its policyholders. It states this is for security and protection reasons and to also assist it in recording evidence relating to a claim.

QIC has shared documentation with our service, which confirmed its use of BWC by field staff attending the homes of its policyholders and the circumstances in which such equipment is utilised. So, I can understand why T used BWC during its initial visit to Mr T's property. This was in line with QIC's policy.

As our investigator explained, we're not the regulator of insurers. So, we can't make a finding that a business has breached any privacy laws or tell a business to change its policy or to adopt the changes that Mr T may like about the use of BWC.

I'm satisfied that QIC followed its policy properly in relation to the initial visit to Mr T's home. It couldn't have reasonably anticipated that Mr T would have objected to the use of BWC and I don't think it had a duty to tell him explicitly this was part of its policy in the assessment of claims.

However, once QIC became aware of Mr T's objection to the use of BWC I think it ought to have considered whether its use of BWC was appropriate during further visits. Mr T's objection was reasonable and was clearly communicated to QIC on several occasions. It missed at least 2 opportunities to reconsider the use of BWC – the first being following T's initial visit and the second being when Mr T wrote to QIC on 5 November confirming his objection. It follows that I'm not satisfied QIC gave this matter the attention it warranted.

From correspondence I've seen, Mr T appeared to believe that further visits to his home wouldn't involve the use of BWC. I think this was reasonable since he'd communicated his objection to BWC to QIC after the first visit T made. He didn't pose a threat to T's contractors and it had already recorded images of the damage Mr T's property had suffered on the BWC used during the initial visit.

In the face of such objection by Mr T, and given the images already captured, it's unclear why BWC had to be used on a subsequent visit by T. And, in attending Mr T's property with BWC after it was aware he didn't consent to use of such equipment, that caused unnecessary distress and upset which could have been avoided.

If QIC had taken on board Mr T's views, this would have avoided the confrontation that Mr T was subject to when T returned on 7 December 2022 with BWC. It also would have avoided the unpleasant telephone call Mr T had with QIC subsequently that day.

I understand from QIC's final response letter that feedback has been provided to the member of staff that spoke with Mr T on 7 December. I think this is good practice and it's what I'd have expected QIC to have done having heard the call in question. QIC also apologised to Mr T for the way in which the call was handled.

I can appreciate how upset Mr T would have been as a result of his telephone discussion with QIC. I've listened carefully to the recording of that call. It's clear that the staff member Mr T spoke with, at times, spoke over him and raised their voice. That wasn't professional and they referred to involving the police to retrieve equipment that was within Mr T's

property. This all escalated and worsened an already difficult situation and would have added to the worry Mr T felt.

Mr T told our investigator the cash settlement offer wasn't transparent. I understand that he was offered just over £1700 to cash settle his claim. But QIC didn't provide a breakdown of costs to Mr T so he couldn't satisfy himself that the offer was fair and reasonable.

I've seen a fully costed scope of works that QIC has provided our service. In the interests of transparency in the claim, this costed scope of works should have been shared with Mr T when he asked for further detail about the calculation if not before. Had that been done, Mr T would have been able to have more confidence in the claim process and more insight into the value of the claim.

Having carefully considered the scope of works I'm satisfied the settlement offered to Mr T properly reflects the full reinstatement costs. The figure is £1720.31 plus VAT. But I understand Mr T was offered the figure without the VAT element.

Our service would usually direct an insurer to pay a settlement figure inclusive of VAT where there's evidence that a policyholder has incurred VAT costs in funding the cost undertaking the reinstatement works where he had to pay VAT paid VAT.

Here, I haven't seen evidence that Mr T incurred costs in undertaking the reinstatement works where he had to pay VAT. So I'm not persuaded that VAT should be included within the settlement offer. It isn't clear whether an excess should be deducted from the settlement offer. If this is the case, QIC should take such action and adjust the settlement figure accordingly before payment to Mr T is made.

In line with Mr T's insurance policy QIC is obliged to cover loss or damage caused by an escape of water. I'm satisfied the settlement offer means that QIC has met its obligation insofar as the damage is concerned.

I know that Mr T said he didn't ask or agree to QIC settling his claim by a cash settlement. But his policy, in common with many home insurance policies, allows QIC to settle a claim in this way. In the circumstances, given the irretrievable relationship breakdown between Mr T and QIC, I'm persuaded it was reasonable for a cash settlement to be offered here. It follows that, in order to resolve this part of Mr T's complaint, QIC should make payment of the cash settlement sum it offered if it hasn't already done so.

QIC's cash settlement offer didn't include the cost Mr T incurred in using the drying equipment T installed during its initial visit. It seems, from the available information, that because the drying machines couldn't be collected from Mr T's home it wasn't possible for QIC to determine the cost incurred in their use.

I can see that our investigator made considerable efforts to negotiate with both parties the collection of the drying equipment from outside Mr T's property. This enabled the equipment to be collected with minimal distress to Mr T, which happened on 15 March 2023. And this facilitated a settlement offer from QIC to Mr T, which reflected the cost of the energy used by the equipment.

I think the collection of the equipment could have occurred much sooner. Mr T had asked QIC to collect the dryers from outside his home before this solution was suggested by our investigator. It's difficult to understand why it was necessary for our investigator to have to mediate an arrangement between both parties. This protracted matters for Mr T and, I've no doubt, caused him additional distress not knowing how and when collection of the equipment

would take place. I've taken that into account in assessing the level of compensation that's appropriate to resolve this complaint.

I'm satisfied that once the equipment was returned to QIC it calculated the cost Mr T incurred in its use to dry his property. QIC states the cost was just over £303 and I've no reason to doubt that calculation. QIC has agreed to reimburse that sum to Mr T and should do so to resolve this complaint if it hasn't already made payment to him.

I recognise that the way in which Mr T's claim was progressed by QIC had a significant impact on him – for all the reasons I've identified already. But we aren't here to punish businesses. And, to put matters right, I'd have asked QIC to make an appropriate award of compensation to reflect the trouble and upset caused.

I understand this situation was very distressing for Mr T. Claims for an escape of water can be complex and tend to take several months to resolve. It is inherent with such a claim that there will be stress and considerable inconvenience. Our role is to consider whether this was avoidable and to assess fair compensation for failings as a whole.

Our investigator identified the same service issues I have addressed within this decision. They recommended that QIC pay Mr T £300 compensation to resolve this complaint. I appreciate that Mr T wants me to direct QIC to increase that recommendation but, based on the evidence I've seen, there's nothing to persuade me that a higher compensation award is warranted here.

On balance, I'm satisfied that our investigator's compensation recommendation fairly reflects the trouble and upset Mr T would have been caused. It's in line with awards our service has made in similar circumstances and it's what I would have suggested had no offer been made. I endorse our investigator's approach here and won't be departing from. It follows that I won't be requiring QIC to increase the amount it's already been told it should pay here.

I understand Mr T will be disappointed with this decision. I appreciate the reasons why he brought this complaint to our service and I sympathise with the difficulties he found. But this now brings to an end what we, in trying to resolve Mr T's dispute with QIC informally, can do for him. I'm sorry we can't help Mr T any further with this complaint.

Putting things right

In order to resolve this complaint, QIC should pay Mr T £300 in compensation. It should also ensure that he has been paid £303.16, which represents the cost of electricity used by the drying equipment, and £1720.31 for the reinstatement costs.

As previously explained, it isn't clear whether an excess should be deducted from the settlement offer. If this is the case, QIC should take such action and adjust the settlement figure accordingly before payment to Mr T is made.

My final decision

My final decision is that I uphold this complaint. QIC Europe Ltd should resolve this complaint in the following way:

- Paying £1720.31 to Mr T to cover the cost of reinstatement work to his property less any excess that may be applicable;
- Paying £303.16 to Mr T to cover the cost of electricity used by the drying equipment;
- Paying Mr T £300 for the distress and inconvenience he experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 20 September 2023.

Julie Mitchell
Ombudsman