

The complaint

Mrs F complains about the way Fairmead Insurance Limited dealt with a claim she made on her home insurance policy for a drainage problem.

Reference to Fairmead includes its agents and representatives.

What happened

As the circumstances of this complaint aren't in dispute, I'll summarise what's happened.

- Mrs F got in touch with Fairmead about a problem with her drainage system. A pipe connecting her home to the septic tank was damaged and leaking into her garden.
- Fairmead initially declined the claim because it said Mrs F wasn't insured with it when the problem arose. But after Mrs F provided further information, Fairmead agreed it had insured her for a number of years and accepted the claim.
- It took a number of months for Fairmead to settle the claim. For much of that time, the leak continued and Mrs F put a lot of time into chasing Fairmead for progress and information. She complained about what had happened.
- Fairmead conceded there had been unnecessary delays. It apologised and offered £150 compensation. Mrs F didn't think this went far enough to put things right.
- Our investigator thought the complaint should be upheld and Fairmead should pay an additional £350 compensation, making £500 in total.
- Fairmead agreed to do this. Mrs F didn't. In summary, she said:
 - She'd spent a lot of time chasing the various parties appointed by Fairmead, including long waits on the telephone.
 - The leak continued from June to November, making her garden unusable during that time. The smell was unbearable and there were flies, so she had to keep the windows shut during a very hot summer.
 - Her business, which requires customers to walk past her garden, was negatively impacted for the same reasons.
- Our investigator wasn't persuaded to change their mind, so the complaint has been passed to me.

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.

- There's no question the claim is covered by the policy and has been settled in full. So I won't need to consider those points.

- It's accepted Fairmead handled the claim poorly and caused avoidable delays. The complaint is about how much compensation it should pay to fairly reflect the distress and inconvenience this caused Mrs F.
- As there's no dispute about what happened, I won't go over each and every detail of the claim and what went wrong – I'll focus on the key points.
- Overall, Mrs F made the claim in July 2022 and it was settled in February 2023. It would always have taken some time to handle the claim, including initial checks, considering the cause of damage and quotes submitted. Also, Mrs F's contractor requested a sizeable additional payment after work had begun, so that would reasonably have taken some more time for Fairmead to consider.
- But I would expect a claim of this nature to have been dealt with much more promptly than Fairmead did. In particular, the initial delay of several months caused by it thinking Mrs F wasn't insured at the relevant time set the claim back significantly and was completely avoidable. Fairmead ought to know when it began insuring Mrs F and be able to clarify that within a matter of hours if needed – not require the input of other parties, including Mrs F, over the course of several months.
- The delay has clearly had a considerable impact on Mrs F. Her and her family were unable to use their garden throughout the summer. And the continued leak from a waste pipe, during very warm months, created a very unpleasant environment, so the impact was felt even in the house, affecting the family for a prolonged period of time.
- To compound matters, communication wasn't easy. In part this seems to be the result of Fairmead appointing various parties. But also because simple things, like answering and handling calls promptly, didn't always happen.

Putting things right

- I'm not satisfied Fairmead's offer of £150 fairly reflected the distress and inconvenience it caused Mrs F. Whilst Mrs F has suggested a much higher figure, that seems to be based on a proportion of the claim cost.
- That's not how this Service considers compensation. Regardless of the claim cost, we consider the experience that particular policyholder has had and what a reasonable level of compensation is to reflect that. I think a total of £500 is reasonable in the circumstances.
- If Fairmead has already paid the £150 it offered, it need only pay the remaining £350.

My final decision

I uphold this complaint.

I require Fairmead Insurance Limited to pay a total of £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 19 January 2024.

James Neville

Ombudsman