

The complaint

Mr S and Mrs R complain about the way Ageas Insurance Limited has handled a claim they made on their home insurance policy for damage.

What happened

In 2021, Mr S and Mrs R's home was damaged by a car. They have a home insurance policy with Ageas. The policy covers their property and three other flats in the same building. Mr S and Mrs R notified Ageas of the damage and it accepted the claim. In November 2021, Ageas responded to a complaint from Mr S and Mrs R, they were unhappy with the delays and poor communication. That complaint wasn't referred to this service.

In April 2022, Ageas responded to another complaint about the service that had been provided, and an offer of £150 compensation was made.

In September 2022, Ageas responded to a further complaint from Mr S and Mrs R. They said matters had not progressed and the repairs still hadn't been carried out. Ageas accepted its service had fallen below what it would expect, and it offered Mr S and Mrs R £250 as an apology for the unnecessary distress and inconvenience caused. Unhappy with this response, a complaint was brought to this service.

By the time our investigator reviewed the complaint, Ageas had made a cash settlement payment to Mr S and Mrs R for the cost of the works, for around £9,500. This included the cost for the damaged render on the outside of the property, as well as some internal works needed.

Mr S and Mrs R said they were happy with this amount, but Ageas hadn't offered anything for them being out of their property for over a year. They also said they were having trouble getting anyone to do the repairs, as their home was part of a building with three other flats in it.

Whilst our investigator was reviewing matters, Ageas said it had paid Mr S and Mrs R too much. It said it had paid Mr S and Mrs R for the full cost of the external damage. But under Mr S and Mrs R's policy, they were only liable for a quarter of the cost of the external damage, as the cost would be spread among the other flats. It said it would look to recover some costs from Mr S and Mrs R.

Our investigator said it wouldn't be fair for Ageas to claim the money back, because doing so would mean the repairs to Mr S and Mrs R's property won't be carried out. She said Ageas taking this action had caused further unnecessary distress and inconvenience to Mr S and Mrs R, so Ageas should pay a further £200 compensation to reflect this.

Our investigator didn't think Ageas needed to pay any amount for alternative accommodation ("AA"). She said under the policy, AA would only be paid if the property was uninhabitable, she wasn't satisfied this was the case.

Mr S and Mrs R accepted the findings of the investigator. Ageas didn't. It maintained it should be able to recover costs from Mr S and Mrs R. So the matter has come 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.

I accept Ageas' point that there are other policy holders on this policy, but they've only received one claim. And having considered everything, I don't think it would be fair to Mr S and Mrs R for it to ask for the money it paid to be returned.

The damage to the render has been sustained to Mr S and Mrs R's property. They have been told by the managing agent of the property that the repairs will need to be done through them. And Mr S and Mrs R have been trying to get this done. If Ageas were to ask for the funds to be returned, then Mr S and Mrs R would be left in a position where they're unable to have the render fixed. They say the cracks in the render is allowing water to ingress into the property, causing further damage. So it is important they're able to repair their property.

Ageas has accepted it has delayed the progress of this claim and has given compensation for these delays on separate occasions throughout the claim. And Ageas was aware from early in the claim that this was a policy with more than one policyholder. I consider it had ample opportunity to consider the impact of other policyholders. So it now wouldn't be reasonable to put any more barriers in the way of the property being repaired.

It's possible Ageas is considering there may be other claims, from other policyholders relating to this damage further down the line. I don't consider this to be Mr S and Mrs R's fault. It has also, as far as I'm aware, been able to recover its outlay from the third-party insurer of the car that caused the damage. If any other claims were to be made, Ageas will need to take whatever steps it thinks are appropriate.

Mr S and Mrs R say they've been unable to return to the property whilst the repairs were outstanding. I agree with our investigator that Ageas don't need to pay costs relating to alternative accommodation. I don't doubt this has been a distressing time, Mr S and Mrs R have said the trauma of the event is one reason they haven't felt able to return. That's understandable given what happened. But under their policy, Ageas would only pay for alternative accommodation if the property was uninhabitable. And I'm satisfied that wasn't the case.

As noted above, Ageas accepts its service has fallen below its usual standards, since 2022 it has paid a total of £400 for the impact of delays and poor communication. I agree with our investigator that it should pay a further £200. This is for the substantial distress caused by unfairly telling Mr S and Mrs R it would be asking for funds to be returned. I've no doubt the additional worry, and the delay this has likely caused in any work being able to progress, has had an impact on Mr S and Mrs R.

I understand Mr S and Mrs R have had other challenges in starting the works, due to the managing agent. But since Ageas has now paid its cash settlement, and it won't be asking for any funds to be returned, it wouldn't be responsible for any further delay from this point.

My final decision

My final decision is that Ageas Insurance Limited isn't able to reclaim any costs its paid to Mr S and Mrs R relating to the claim.

It also needs to pay a further £200 compensation for the distress and inconvenience caused in its handling of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs R to accept or reject my decision before 24 October 2023.

Michelle Henderson
Ombudsman