

## The complaint

Mr U complains about how Ocaso SA, Compania de Seguros y Reaseguros handled and settled his claim on his home insurance policy

## What happened

Mr U is the leaseholder of a flat that benefits from a home insurance policy underwritten by Ocaso. In January 2021 there was a flood at the property which caused extensive damage. Ocaso accepted the claim and carried out a programme of drying and repairs. While this was taking place, Mr U and his family had to move into alternative accommodation.

However during this time, Mr U was unhappy with the work completed. Towards the end of the claim Ocaso has said that its contractors refused to return to the property to complete snagging works. Instead Ocaso offered Mr U a cash settlement of around £700 to complete the work it said was outstanding.

Mr U was unhappy with this and made a complaint. He was unhappy with a number of issues, but in summary he said:

- The work completed by the contractors was of a poor standard and they had caused additional damage that wasn't reflected in the cash settlement.
- The oven that had been installed wasn't of the same standard as the one he'd had before and should be replaced.
- Ocaso had failed to cover the cost of a replacement boiler even though this was damaged by the flood.
- He'd been out of his home for more than a year due to the slow claim progress and had had to move between four different alternative accommodations which had been distressing, especially as he has a young family and a disabled son.
- He had to pay for increased electricity bills while the work was being carried out.

Ocaso responded to his complaint and while it accepted the service provided had sometimes been poor, it didn't change its position on the claim and maintained its offer of a cash settlement. Unhappy with this, Mr U brought his complaint to this service.

Our investigator recommended the complaint be upheld. She thought Ocaso should:

- Appoint an independent surveyor to assess the work completed against the scope of works, and comment on what remains incomplete and what should be re-done due to poor workmanship. Mr U should provide three options for a surveyor for Ocaso to select.
- Once completed, Mr U should provide Ocaso with three quotes for the work to be completed based on the surveyor's report, for Ocaso to select which to go ahead with.
- Ocaso should then pay for the work to be completed by the chosen contractor.

She also thought it should pay for:

- A replacement oven that includes a timer and a light.
- Reimburse the cost to Mr U of replacing the boiler plus 8% simple interest for the time he had been without the funds. If he is unable to provide proof of the cost then it should pay how much it would have cost it to replace the boiler.
- Reimburse Mr U the £80 it cost him to fix his kitchen sink plus 8% simple interest.
- Reimburse Mr U the cost of the alternative accommodation he paid for himself, plus 8% simple interest.
- Cover the cost of repairing the toilet and damage to the bathroom door frame.

However while she agreed Ocaso had caused Mr U some significant distress and inconvenience. She noted the costs it had paid for damage Mr U had caused to alternative accommodation. And thought because of this, it wasn't fair to ask it to pay any compensation as this was above what it owed as part of the claim costs.

Mr U accepted our investigator's outcome, however Ocaso didn't. It said it agreed to cover the cost of fixing the sink and the additional hotels Mr U paid for. However it said it believed

Mr U damaged the boiler himself so this wouldn't be covered in the claim. And it said our investigator's proposed redress was confusing and difficult to follow. It asked for the complaint to be reviewed by an ombudsman.

In June 2023 I issued a provisional decision which stated as follows:

*'Outstanding work*

*From looking at the emails from both sides and photos provided, it is clear that Mr U's flat still has claim related work outstanding. And that works haven't been completed to a standard to put him back into the position he was in before the claim.*

*Ocaso has said that it thinks Mr U has intentionally caused damage to his property, and that the work shouldn't be included in the cash settlement or re-done. However it's provided no evidence of this. And it accepts that the relationship between Mr U and its contractors broke down and that they walked out without completing the snagging works. So on balance I am more persuaded that some work hasn't been done to standard and that there is still outstanding work.*

*While Ocaso has provided a breakdown of what it believes are the only works it's responsible for, it has provided little evidence to show that all other work has been completed to standard and in line with the original scope of works. And Mr U has detailed other areas of the property that require additional work that far exceed what it has accepted, such as the adapted toilet that he says hasn't been installed correctly.*

*Due to this, it is very difficult to determine exactly what work remains outstanding, so in order to ensure all work is completed to standard and in line with the scope of works agreed at the beginning of the claim, I agree with our investigator that someone independent should review the damage in order for a quote to be prepared.*

*Our investigator recommended that Ocaso pay for a building surveyor to assess the work done so far and come up with a list of the items that now need to be addressed, before this is quoted for. However this is a very costly and time consuming process. And the work that is in dispute here isn't structural, but instead is smaller repairs that wouldn't require that level of expertise. I therefore don't consider it fair to ask Ocaso to pay for a buildings surveyor to assess the damage.*

*Instead, Mr U should obtain quotes for the outstanding work, that was laid out in the original scope of works, and any additional repairs to work carried out at a poor standard. He should obtain three quotes from three different builders and these should contain a detailed breakdown of what the costs relate to, in order to ensure it is claim related. Ocaso should then choose one of the quotes and pay the total cost as a cash settlement.*

#### *Damage to the door frame and toilet*

*It isn't disputed that Ocaso's contractors had to force the bathroom door open because their tools got locked inside. Or that this caused damage to the door frame. While Ocaso has said Mr U locked the tools in the bathroom purposefully, I've not seen any evidence that this was the case, nor do I see good reason why he would do that. As the damage was caused by its contractors, I think Ocaso should pay to repair the damage to the bathroom door frame and this should be included in the above stated quote.*

*Mr U has said that his adapted toilet has been reinstalled incorrectly and this causes it to shake and feel unstable. While Ocaso has disputed that this was installed incorrectly, if the builders quoting for the work consider there to be any necessary repairs to ensure this is installed correctly, then the cost of these should be included in the quotes.*

#### *Boiler*

*Ocaso has accepted that the boiler wasn't working. However it says it thinks Mr U purposefully damage the boiler so it could be replaced as part of the claim. However it has again provided no evidence to show this was the case. And considering the flood was substantial and it's agreed that it caused significant damage throughout the whole flat, it seems likely that it would also have caused damage to the boiler. Mr U has already had a new boiler installed, due to this he should be able to provide proof of the cost of this. Therefore he should provide this to Ocaso to reimburse the amount. It should also pay 8% simple interest on this amount from the date Mr U paid for it until the date settlement is paid.*

#### *Oven*

*Mr U has said he's unhappy with the oven that Ocaso has installed as a replacement for his damaged one. He's said that it is a lower specification and doesn't have a light or a timer as his old one did.*

*Where items are replaced, rather than repaired, Mr U's policy requires Ocaso to provide a replacement of 'similar quality'. While I note Mr U's comments about the differences in the ovens, I'm not persuaded from the available evidence that the new oven is significantly lower quality than the original to warrant Ocaso taking action to replace it. While having a light and a timer may be Mr U's preference, I think the fact the new oven doesn't have these features isn't enough to say it isn't of a 'similar quality' as is required under the policy. Further, Mr U was provided with detailed information about the kitchen before it was installed, so if these were features that he felt strongly about he had the opportunity to raise them at that stage.*

*For these reasons I am satisfied Ocaso has appropriately indemnified Mr U for his damaged oven and I won't ask it to provide a replacement.*

#### *Electricity*

*Mr U has explained that due to the work that took place while he was staying in alternative accommodation, his electricity bills have been higher than he'd usually pay. While Ocaso has previously agreed to cover any additional costs above what he usually pays, it seems*

*this hasn't happened. So if Mr U can provide proof of the difference in cost then Ocaso should pay him the difference.*

### **Compensation**

*From reviewing the timeline of the claim, as well as comments from both sides, I agree it's been a very distressing time for Mr U and his family. They've had to stay out of their home for over a year and in this time have stayed in four different places. And Ocaso has added to this distress by failing to progress the claim promptly and waiting until the last minute to attempt to renew alternative accommodation resulting in the need to move. This has been particularly distressing for Mr U when taking into account the additional needs of his son who has a disability.*

*Due to this I would usually ask Ocaso to pay Mr U compensation to make up for the additional distress and inconvenience it caused him by the poor handling of the claim.*

*However it's shown that at two of the properties used for alternative accommodation the provider has charged a large amount of money for necessary repairs and cleaning following Mr U's stay. And this has cost Ocaso thousands of pounds. These aren't costs we'd expect*

*Ocaso to cover, as the upkeep of the properties is Mr U's responsibility. However as it has covered these costs and hasn't sought to recover them from Mr U, I think this is enough to make up for the distress and inconvenience caused. So I won't ask it to pay anything in compensation.'*

### **Response to my provisional decision**

Ocaso accepted the findings in my provisional decision.

Mr U responded with a number of comments. He said he accepted the decision, but had some conditions he wished to be met as part of the acceptance.

In summary his comments were:

- He didn't agree some of the details included in the claim background were correct. He said there hadn't been a breakdown of relationships with the contractors but instead they'd just completed repairs to a poor standard. And some further details of the claim had been left out.
- He disagreed that he had damaged the alternative accommodation and said that issues only occurred because the accommodation was unsuitable for his son who had additional needs.
- While he was sent details about the kitchen replacement before it was installed, these just said the oven would be replaced with one of the same standard. So it wasn't until it was installed that he knew it wasn't the same as the old one.
- He said while he accepted the decision he would only do so if this service agrees to oversee all remaining work and that our decision has legal backing.
- He also said that it will be complicated obtaining quotes as the work required covers a lot of different expertise and he think Ocaso's contractors should complete it as they signed a mandate saying they would do so.

### **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've also considered the points Mr U has made in response to my provisional findings.

I have noted his comments about the accuracy of the information contained in the summary of the background of the claim. I appreciate Mr U doesn't agree that there was a breakdown of relationships with the contractors and I have amended the wording in this document to better reflect this. Mr U has also pointed out areas of the claim that have been missed from the summary. I want to reassure him that the background in the decision represents a short summary of the claim and doesn't intend to cover every action or issue. However I read all submissions sent by both Mr U and Ocaso when reaching my decision in order to have a full understanding of the claim. And the additional comments added by Mr U were all things that had been considered before I issued my provisional decision, and therefore have no bearing on the outcome.

Regarding the alternative accommodation, I have noted Mr U's comments about the suitability of the accommodation for his son's needs and I'm sorry to hear about the distress this has caused him and his family. However if the accommodation wasn't suitable this should have been made clear to Ocaso as early as possible so it could take action at the time to arrange a more suitable option. But regardless, Ocaso covered the cost of the damage caused at both locations, rather than pursuing the costs from Mr U. This added up to a considerable amount, far above what I'd expect it to pay. So I still consider this reasonable and enough to mean further compensation isn't warranted.

Mr U has also said that while he was shown plans for the replacement kitchen before it was installed this only indicated the oven would be replaced with one of the same standard. So he couldn't have known that it wouldn't meet his needs until it was installed. In my provisional decision I explained that I didn't think the differences between the replacement oven and the original were significant enough to say it was of a lower standard. And what Mr U has said hasn't changed my position on this. So I'm still satisfied Ocaso has provided a suitable replacement oven and won't ask it to provide an additional replacement.

I note Mr U's comments about the difficulty he may face in obtaining quotes for the work as it covers a number of different types of expertise. I came to this decision as Mr U doesn't agree the cash settlement already offered by Ocaso is enough to carry out the repairs. But in order for Ocaso to pay anything additional, it'll need evidence of what additional work is needed and how much this will cost. And obtaining independent quotes, from contractors not instructed by Ocaso, is the most practical way to do this. However should Mr U find it difficult to source suitable contractors to provide a quote, I'd expect Ocaso to assist him in this.

Finally Mr U has said he will accept the decision but only if this service agrees to oversee the remaining work. It isn't the role of this service to get involved with the management of claims or the repair work relating to them. We are a dispute resolution service, so we only look at complaints and decide if a business has acted fairly when resolving them. Therefore our involvement with a complaint ends once we've issued our final decision on it. So we won't be able to provide further oversight.

Mr U has also asked that the decision provides legal backing in its direction. If Mr U accepts my final decision before the deadline laid out below, then this will be legally binding on Ocaso and will therefore be enforceable through the courts.

### **Putting things right**

Having reviewed the comments provided by Mr U in response to my provisional findings, I see no reason to depart from my provisional decision. I will therefore require Ocaso to

resolve Mr U's complaint as described in my provisional decision and laid out below.

### **My final decision**

For the reasons I've given, I uphold Mr U's complaint and require Ocaso SA, Compania de Seguros y Reaseguros to:

- Pay the cost to Mr U of all outstanding claim related work to fulfil the original scope of work and make good any poor workmanship. To do this Mr U should get three quotes from independent contractors, which Ocaso will pick from. The quotes should provide a full breakdown of what the costs are for. This should include:
  - All work included in the scope of work.
  - Any claim related work that needs to be redone due to poor workmanship.
  - Fixing the adapted toilet to a good standard.
  - Repairing the bathroom door frame.
- Reimburse Mr U for the replacement boiler, the cost of fixing the sink and the stay in a hotel that it hasn't already covered, on receipt of proof of these costs.
- Pay Mr U 8% simple interest on these amounts from the date he made payment until settlement is paid.
- Pay for the increased electricity costs incurred during the time the work was being carried out on receipt of evidence of these increased costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 17 August 2023.

Sophie Goodyear  
**Ombudsman**