

The complaint

Mr L complains about how the AA Underwriting Insurance Company Limited (The AA) handled the original decision by the Financial Ombudsman Service (FOS), under his home insurance policy.

What happened

Following a final decision from our service, the AA was directed to replace Mr L's shed roof, that had been damaged due to a storm.

Mr L said that his contractor assessed the shed and found that the main structure was damaged beyond repair. So, Mr L contacted the AA as he believed that FOS had directed it to replace the entire shed.

The AA said that as FOS had only directed it to replace the shed roof, it would do so. It said that to replace the entire shed, went against the FOS decision and would amount to betterment.

The AA maintained its position in its final response, and as Mr L had been given his referral rights, he referred a complaint to our service.

One of our investigators considered the complaint and didn't think it should be upheld. She said the AA declined to cover the full cost of the shed, as they felt the new quotation amounted to betterment and differed to the original ruling made by FOS. She agreed that the AA had acted fairly, so there wasn't anything further she could reasonably ask it to do.

The AA accepted the view, Mr L did not. He asked for a decision from an ombudsman.

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 won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mr L, but I hope my findings go some way in explaining why I've reached this decision.

I've considered both parties comments, and the evidence they've provided. The main issue of this complaint is whether the AA handled the original FOS decision fairly.

Mr L has provided a report and invoice from his contractor. In the report it states that the shed is beyond repair. But, apart from this, there is no information as to whether the damaged caused to the structure of the shed, was as a result of an insured peril, such as a storm.

The AA said that the shed structure was damaged due to wear and tear. I have been provided with images of the shed and having reviewed those images, I think they do show that the shed wasn't in a good state of repair. And I'd agree that the shed was suffering from wear and tear.

I've also reviewed the original FOS decision and I can see that the AA was directed to: *'settle Mr L's shed roof claim in line with the remaining policy terms.'* The AA confirmed that it had made a settlement offer for the cost of the shed roof to Mr L.

I note that the quote that Mr L relied upon was for the supply of a new shed and concrete base. I'm satisfied that this wasn't the decision made by FOS originally. The decision regarding the shed, was for the AA to replace the shed roof only. Consequently, I think that the AA was reasonable, not to agree to replace the entire shed. I agree that this would've gone against the FOS decision and would therefore amount to betterment.

Taking all of the evidence into consideration, (and I can appreciate that this is likely to be a disappointment to Mr L) but I won't be asking the AA to do anything further to resolve this complaint.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 December 2023.

Ayisha Savage
Ombudsman