

The complaint

Mr and Mrs O complain about Accredited Insurance (Europe) Ltd's handling of their home insurance claim.

Mr and Mrs O are joint policyholders. As most of the communication relating to the complaint has been from Mr O, I'll refer mainly to him in my decision.

Accredited is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Accredited has accepted it is accountable for the actions of the agents, in my decision, any reference to Accredited includes the actions of the agents.

What happened

In January 2023, Mr O made an escape of water claim under his home insurance policy after noticing a leak. Accredited told him it could cover the costs for trace and access and damage caused by the leak once cover was confirmed but it wouldn't cover the cost of fixing the leak itself.

Mr O told Accredited he had a health condition which had been made worse as a result of no hot water or heating in his house. He and Mrs O went to stay with a friend.

After the leak was repaired and the boiler was turned on, the boiler broke down. Accredited initially told Mr O the cost of replacing the boiler wasn't covered by the policy but it later agreed that it was.

Accredited's surveyor initially visited the property at the beginning of February and recommended the property be dried through heating and ventilation. They reattended again in early March, after the boiler had broken down, and observed that the moisture levels had increased. The surveyor noted there was an ongoing water ingress and condensation which suggested a pre-existing issue.

Accredited instructed contractors to carry out repairs to the property in April 2023. The contractors visited the property in mid-May but there was a delay in the scope of works being approved. In early July, Mr and Mrs O decided that they didn't want Accredited's approved contractors to go ahead with the work.

Accredited instructed different contractors to carry out the work. A few weeks later Mr O raised concerns that he hadn't been contacted by the drying team or the contents supplier. He also wanted to know what the final scope of works was. Mr O told Accredited he was about to have heart surgery and wanted to know what was going on. Accredited said it had chased the contractor for the scope of work and would do its best to update Mr O before his surgery. The day after Mr O's surgery, Accredited said it had received the scope of works and had requested amendments to be made.

Mr O raised some further concerns with Accredited regarding its communication and poor service. He said the drying team didn't have a complete specification of work they were supposed to be doing. The builders had informed him of some work they were doing and

some they were not doing, yet this had been agreed by two surveyors. Mr O said the stress was negatively impacting his health.

Accredited told Mr O the drying team would reattend in late August to remove floor tiles and to review what further measures were required regarding the upstairs bedroom.

Mr O raised an issue about the ceilings in some of his rooms potentially having asbestos. He said his broken shower hadn't been mentioned and there was no mention of lights in the bathroom being checked for water damage. He said the builders did not want his dogs in the house while the work was going on, but he would need to pay £50 a day for them to be looked after. He said he hadn't received accommodation money from not being in his house.

Accredited said the scope of works was a moving document which required going back and forth before being finalised. The contractor was not able to give a start date for reinstatement works until the scope had been agreed.

Mr O asked our service to consider his concerns. He was unhappy with Accredited's communication with him and delays in beginning the work. He also didn't think Accredited had taken his medical conditions into account.

Accredited told us the property was deemed dry on 24 August and it was waiting for a start date for the contractors to carry out the work. It said it had followed normal procedures throughout the claim. It understood that at times things may have taken longer than expected but it was dealing with a high influx of escape of water claims.

In September 2023, Accredited told Mr O that the contractor no longer wanted to do the work. It told him it didn't have any other contractors in the area who could carry out the work. Accredited said it would need to make a cash settlement and Mr O should get his own quotes for it to review.

Our investigator thought Mr O's complaint should be upheld. He thought Accredited's communication with Mr O had been poor and it was responsible for some delays in progressing his claim. He recommended Accredited pay Mr and Mrs O £700 for distress and inconvenience.

Accredited disagreed with our investigator's outcome. It said the claim was opened during its surge period and the whole industry was affected with an influx of claims due to the winter freeze event, which meant it wasn't always able to respond as quickly as it would have liked to.

Accredited said that after the property was signed off as dry, it was advised of further moisture. It attempted to mitigate this by lifting the tiles and carrying out further drying, but this was unsuccessful. It said salt tests were carried out which confirmed damp issues. When the property was declared dry, moisture levels were where they should be, but the damp reappeared.

Accredited said it would like to propose a counteroffer of £400 which it believed to be fairer and more reasonable.

As Accredited disagrees with our investigator's outcome, the complaint has been passed 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr O has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I understand that Mr O's claim is still ongoing, and he's made us aware of some other concerns since our investigator issued his outcome to this complaint. I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise.

In this decision, I will only be considering matters Mr O has raised with Accredited prior to the date our investigator issued his outcome to the complaint in October 2023.

The relevant industry rules require insurers to handle claims promptly and fairly. It should provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

Accredited says delays in progressing Mr O's claim were due to an influx of claims due to a winter surge event. I appreciate that some delays were unavoidable. However, nine months after the escape of water event, repairs to the damage were yet to commence, with no contractor in place to carry out the work.

The policy's terms and conditions say that when Accredited receives a claim it will *"carry out any work that is needed to reduce any further loss or damage..."*

In a visit on 1 March 2023, the surveyor has noted that Mr O had not had equipment on due to the increase in his energy bills, the boiler was not working, and more equipment was needed on the revisit. A few weeks later, Accredited agreed it would cover the costs of drying regardless of the validation of the claim. If Accredited had agreed to do this sooner, I think it's likely the drying would have been completed earlier and further damage might have been prevented.

Accredited says that further moisture was found after signing the property off as dry and it tried to mitigate this by lifting the tiles and carrying out further drying, which was unsuccessful.

Mr O says no tiles were lifted. The salt tests were done in April or May. In July the new builder and senior surveyor said the house needed more drying and instructed the drying team to lift the tiles. However, the tiles were never lifted. The damp became an issue because there was no heating in the house for two months. The moisture went into the walls, leading to cracking due to the house heating up.

According to Accredited's reports, nitrate tests were first carried out on 21 March. The next visit was on 24 April where rising damp is mentioned. The report from the visit on 24 August includes a note from the surveyor which says: *"I also appreciate that your operatives carried out a salts test and it is believed that there is an issue with water coming up through the floor. Due to the construction type, age of building and location, I would feel more comfortable in knowing that we have given the benefit of the doubt by lifting the floor tiles"*

and attempting to dry the immediate floor. If this fails, we can safely say that there is an ongoing existing issue."

However, next to "*what work has been completed on this visit*" it says: "*Tested concrete floor under tiles in kitchen / dry results*". The report says drying was not required and "*Dry floor in kitchen, wall is wet*." So, it doesn't look like the floor tiles were lifted because the floor underneath was dry. However, there was evidence of damp on the wall.

It seems from the above, that Accredited first identified that there might be a pre-existing issue in March 2023. However, there appear to have been delays in investigating it further. And Accredited doesn't appear to have explained to Mr O what needed to be done to resolve the issue with the damp. Its communication with Mr O regarding the repairs it's willing to cover doesn't seem to be very clear either.

I understand Mr O has been staying with friends because of concerns about how the poor condition of the property might affect his health. Mr O has significant health issues, which he made Accredited aware of early on in the claim. I can see that Accredited paid Mr and Mrs O an inconvenience allowance of £840 in March 2023 because they weren't able to live at the property. However, it doesn't appear to have considered the impact of Mr O having to live away from home for an extended length of time beyond that.

Mr O has told us that Accredited's handling of his claim has caused him stress which has had a negative impact on his health. I understand at least one of the conditions he has can be made worse by stress.

Taking into account that some of the delay was beyond Accredited's control, I still think it could have done more to progress Mr O's claim more quickly. It also should have communicated with him better – keeping him up to date on the progress of his claim and being clearer about next steps.

I think Accredited's handling of Mr O's claim has caused him considerable distress, upset and worry above what might reasonably be expected. This had a greater impact on Mr O because of his health conditions. He's been unable to return to his home for a considerable length of time and has experienced unnecessary distress while he's been recovering from surgery. So, I think it would be reasonable for Accredited to pay Mr O £700 in recognition of this.

Putting things right

Accredited should pay Mr and Mrs O £700 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs O's complaint and direct Accredited Insurance (Europe) Ltd to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 16 January 2024.

Anne Muscroft
Ombudsman