

The complaint

Mr L and Mrs B have complained about their home insurer Accredited Insurance (Europe) Ltd (AIE) regarding a claim they made to it in December 2022 when a pipe burst causing substantial damage to their home.

What happened

Following the pipe bursting, Mr L and Mrs B could not stay in their home. Their home was going to need significant drying and they were moved into hotel accommodation. The hotel was only agreed for a week or so at a time and Mr L and Mrs B found themselves having to move multiple times due to availability. They felt communication was poor from AIE too. It was spring before approval was given for Mr L and Mrs B to move to short-term let accommodation.

It was the end of March when an agreed scope of works for repairing the property was completed. In the meantime, whilst the scope was being reviewed, a message was sent to Mr L and Mrs B by AIE stating it would close their claim if it did not hear from them.

A list of contents items was prepared – but when Mr L and Mrs B were able to review this, items were missing. They spent further time going through the list again which they found frustrating. They asked that their damaged home hub device be returned to them so they could dispose of it. This wasn't forthcoming and an AIE advisor visiting their home said they'd smash it, to destroy it, and take a video. No video was received, and Mr L and Mrs B were concerned about the security of personal data contained on the device.

Mr L and Mrs B wrote to AIE in April 2023. They set out their concerns about what had happened to that date, and explained how all this had affected them. Mrs B had suffered particularly, they said, experiencing panic attacks. AIE didn't reply. Mr L and Mrs B complained to the Financial Ombudsman Service.

Our Investigator felt AIE hadn't treated Mr L and Mrs B fairly. Particularly regarding living elsewhere, he didn't think it should have taken so long for short-term letting to be approved. He noted medical evidence provided regarding Mrs B, which he shared a summary of with AIE. He said he felt £600 compensation was fairly and reasonably due.

Mr L and Mrs B initially suggested a sum in the region of £1,200 – £1,500 would be reasonable. But later confirmed they accepted our Investigator's view that £600 was fair and reasonable compensation in the circumstances.

AIE didn't comment on the medical evidence. But said it felt £600 was too much – that £350 was a fair compensation sum.

The complaint was passed to me for an Ombudsman's consideration.

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 can see that this has been a particularly difficult and frustrating time for Mr L and Mrs B. I can also see, from the medical evidence provided, that Mrs B has suffered significantly during this period – that medical professionals have confirmed that's been caused because of the stresses of the claim. Whilst it's true that some upset is to be expected with a claim like this, I do think AIE caused more than that which should have been experienced. And that if it had acted pragmatically, then a lot of the distress and inconvenience which occurred could have been avoided.

For example, Mr L and Mrs B had to live elsewhere. And that would be stressful. For a claim like this one might expect a short period, a couple of weeks maybe, in hotel type accommodation. But by the end of that period, where there's a known significant period of drying and clearly extensive reinstatement work to be done, a pragmatic insurer would look to arrange more suitable accommodation (more like the home), on a longer-term basis. That didn't happen here. Instead not only were Mr L and Mrs B left in short-term accommodation for much longer, their stays were often only agreed on a week-by-week basis. So each week they were chasing for the next to be agreed and, on several occasions, their stay could not be extended, meaning somewhere else had to be found and they had to move. I accept that was extremely stressful and understand it was following several such episodes that Mrs B experienced her first panic attack. They should not have been left in a situation where they experienced that level of stress.

I can see some other issues caused them upset too; poor communication in general, having to duplicate work in respect of the contents list and the concern over the data contained on the smart device. In respect of the latter, I understand they may be contacting the Information Commissioner's Office. But whether any breach has occurred or not, I accept that they were caused significant worry which could have been avoided simply by better communication from AIE and a more appropriate response than given by its advisor.

Having considered everything, I think £600 compensation is fairly and reasonably due. I'd confirm that whilst my findings above are brief, I have taken everything into account. Overall I'm satisfied that Mr L and Mrs B suffered a lot of distress and inconvenience which was reasonably avoidable – and could easily have been avoided if AIE had taken better care to effectively manage their claim.

Putting things right

I require AIE to pay Mr L and Mrs B £600 compensation.

My final decision

I uphold this complaint. I require Accredited Insurance (Europe) Ltd to provide the redress set out above in "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr L to accept or reject my decision before 2 January 2024.

Fiona Robinson
Ombudsman