

## **The complaint**

Mr M has complained about how QIC Europe Ltd (QIC) dealt with a claim under a home insurance policy.

## **What happened**

Mr M contacted QIC to make a claim for a water leak at his home that caused extensive damage. QIC accepted the claim. Mr M later complained because of how the alternative accommodation was dealt with and that QIC told him he had to move back into the property despite it still being uninhabitable.

When QIC replied to the complaint, it said it initially agreed to alternative accommodation because there was no heating or electricity at the property. Once this was restored, it agreed to extend the alternative accommodation again because Mr M said his wife had asthma and allergies and couldn't return to the property. It made the property safe, but then had to complete asbestos tests. So, it extended the alternative accommodation again to allow for the results to be received. When the tests came back negative, the property was habitable from that point. It said Mr M had cooking and bathing facilities and mitigation work had been undertaken to make the property safe. It said no further alternative accommodation was then required.

So, Mr M complained to this service. Our investigator upheld the complaint. She said after Mr M was told he could return to the property, there were still issues with mould at the property, exposed ceilings and no light in the kitchen. It was clear the property wasn't habitable and Mr M's wife also had a significant health issue. She said alternative accommodation should have been extended until the works were completed. She said a disturbance allowance should be paid from 11 March 2023 to 7 June 2023 and interest paid on that amount. Mr M also had to chase for updates on the claim on multiple occasions and QIC wasn't proactive in handling the claim. She said QIC should pay £500 compensation for the issues with the claim overall.

As QIC didn't agree, the complaint was referred to me.

## **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 uphold this complaint. I will explain why.

Mr M and his wife moved to alternative accommodation shortly after the damage was found. QIC paid for alternative accommodation for about three months, along with a disturbance allowance. During that time, the property was dried, the electrics restored and asbestos testing completed. Once this work was complete, QIC said it would no longer pay for alternative accommodation.

While Mr M was in alternative accommodation, he contacted QIC on a number of occasions to find out whether it would be extended. Mr M was told on a few occasions that a specific person would contact him, but continued to have to chase for a response. Mr M was later told that a request for the alternative accommodation had been submitted. However, the next day he was told the request had been rejected as there wasn't evidence to support it. The request was considered again a few days later and Mr M was told the property was habitable, so the alternative accommodation wouldn't be extended. Mr M explained to QIC the impact it was having on him to have to keep chasing for a response when he knew the accommodation was due to come to an end. He still hadn't received a response less than a week before it was due to come to an end, so kept chasing.

I'm aware Mr M was also asked to move to a different, cheaper, property while he was in alternative accommodation. I don't necessarily think it was unreasonable for QIC to keep the cost of the accommodation under review. I'm also aware that Mr M was able to negotiate a cheaper rate with the accommodation provider and remained at the property, although I don't doubt this caused him some inconvenience to do so.

QIC told this service that one of the reasons it had paid for alternative accommodation was because the damp was affecting Mr M's wife's health. It said exposed ceilings didn't make a property uninhabitable. Based on what I've seen, Mr M had raised concerns about his wife's health because of the issue with the ceilings, which had extensive damage and were exposed. He told QIC the level of dust was a particular problem.

I've also looked at QIC's survey. This explained why it was assessed that alternative accommodation was required. It said this was because "*several ceilings being removed including bathroom, floor tiles in kitchen and worktops*". It said alternative accommodation would be required for four weeks. So, I think this suggested that from early in the claim it was assessed that alternative accommodation needed and would continue to be needed while the work was carried out. I've also seen photos of the repair work later carried out and this showed a lot of disruption, mess and debris from the work. So, I think at the time QIC responded to the complaint it was known that the work was likely to be very disruptive and that alternative accommodation should be considered. I'm aware the claim was cash settled, but I would still have expected QIC to properly consider whether the property could be lived in while the work was carried out.

QIC told this service that issues such as exposed ceilings, some mould and light fixtures not working didn't make a property uninhabitable. It said temporary lights could be used, the property wasn't damp and the mould wasn't significant. I think the issues with the ceiling, in particular, meant the property was likely to be uninhabitable. Mr M had explained his wife's health issues and how these were impacted by the ceiling. The work to repair the ceiling was also assessed as likely to require Mr M to move to alternative accommodation and looking at photos, this seemed to be the case. I'm also aware Mr M said that when QIC stopped paying for the alternative accommodation, he and his wife moved to his parents' house where they had to sleep on the sofa. He has said it also affected his ability to work.

While Mr M was in alternative accommodation QIC paid a disturbance allowance. So, I think it should pay this for the remaining period of the claim after the alternative accommodation came to an end. For the period 11 March 2023 to 7 June 2023, QIC should pay the disturbance allowance at the rate it had previously been paying it to Mr M. It should also pay interest on that amount because he lost use of the money.

I also think QIC should pay some compensation. I think Mr M explained why the ceiling didn't make his home habitable. QIC's survey also assessed that alternative accommodation was required, including because of the ceilings, and I can see the repairs to the ceiling were extensive and disruptive. Mr M was expected to remain in his home despite the health

issues raised and the level of disruption while the work was carried out. I think this affected Mr M over a prolonged period and caused him distress and anxiety. So, I think QIC should pay Mr M £500 to reflect the impact on him of having to live in the property when QIC decided the alternative accommodation should end.

### **Putting things right**

QIC should pay Mr M disturbance allowance for the period 11 March 2023 to 7 June 2023 and pay interest on that amount. It should also pay £500 compensation.

### **My final decision**

For the reasons I have given, it is my final decision that I uphold this complaint. I require QIC Europe Ltd to:

- Pay Mr M disturbance allowance, at the rate it previously paid, for the period 11 March 2023 to 7 June 2023.
- Pay 8% simple interest on that amount from 7 June 2023 to the date on which it makes the payment.
- Pay £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 January 2024.

Louise O'Sullivan  
**Ombudsman**