

The complaint

Ms C complains about how UK Insurance Limited (“UKI”) has handled her home insurance claim.

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

What happened

In December 2022, Ms C made a claim under her home insurance policy with UKI after an escape of water caused extensive damage to her home.

UKI arranged for Ms C to move into alternative accommodation as her property was uninhabitable. She was initially placed into a hotel, before moving into rental properties. UKI arranged for drying works to be carried out. But these were delayed, partly because asbestos was found in the property which needed to be removed.

Ms C raised several complaints about UKI’s handling of her claim. She was unhappy about delays with the progress of her claim and the customer service she’d received. She also raised a number of concerns relating to the alternative accommodation she’d been provided with.

In around October 2023, UKI told Ms C it wouldn’t be arranging any further alternative accommodation for her and would make a cash settlement up to the policy limit for this. Around the same time, Ms C brought her complaint to our service.

UKI awarded Ms C £150 compensation for distress and inconvenience in January 2023. According to its notes, this was sent to her by cheque. After Ms C brought her complaint to our service, UKI said it would be willing to pay Ms C £300 for delays it was responsible for.

Our investigator looked into Ms C’s concerns and thought her complaint should be upheld. She thought UKI’s decision to cash settle the alternative accommodation aspect of Ms C’s claim was fair. She also felt UKI’s handling of the contents part of her claim was reasonable. However, our investigator believed UKI was responsible for some avoidable delays and recommended UKI pay Ms C £400 on top of the £150 it had already sent her for distress and inconvenience.

UKI accepted our investigator’s outcome, but Ms C disagreed.

Ms C said there were ongoing issues, which mainly related to the repairs that were being carried out on her property. She said she also wanted to be compensated for the delays on the claim and the impact of these on her health. She said she’d had to chase UKI every step of the way and had been given seven different end dates for completion of the work, which still hadn’t been completed. She also mentioned that one of the loss adjusters had made some inappropriate comments to her.

As Ms C 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 Ms C has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Ms C I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Ms C has made us aware of some other issues relating to her claim since she brought her complaint to our service. 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 Ms C has raised prior to 13 November 2023, which is the date UKI sent its submission to our service. If Ms C would like our service to consider matters that have arisen after this date, she may be able to bring them to us as a separate complaint.

Alternative accommodation

The buildings section of the policy's terms and conditions say UKI will pay *"up to £25,000, in total, for alternative accommodation for you and kennel fees for your pets, and lost rent if:*

- *your home is uninhabitable while it is being repaired, due to a valid claim..."*

There is a further £15,000 allowance for alternative accommodation under the contents section of the policy.

I understand that damage caused by the escape of water event meant that Ms C's property was uninhabitable. Ms C initially stayed in a hotel for around six weeks, before moving into a rental property.

From what I can see, the initial rental was for six months but Ms C had a dispute with her landlord, and she told UKI he had threatened to evict her. UKI says it agreed to the terms requested by the landlord to allow Ms C to vacate the rental early. So, Ms C moved into a second rental property.

Ms C raised a number of concerns about the standard of accommodation she was placed in and how she was treated by both landlords. The landlords also made UKI's agents aware of several concerns they had with Ms C's conduct as a tenant.

Ms C was temporarily placed in a hotel towards the end of September 2023. UKI then decided to pay the balance of the accommodation limit to Ms C as a cash settlement.

I appreciate it was inconvenient for Ms C to arrange her own accommodation. But it looks like UKI's agents assisted her with finding a suitable serviced apartment. Given Ms C's disputes with the landlords of both the rental properties she'd previously stayed at, I don't think UKI's decision to pay Ms C a cash settlement for alternative accommodation was unreasonable.

Customer service and delays

Ms C has raised concerns that a loss adjuster made some inappropriate comments to her. I can see UKI looked into these allegations and the loss adjuster was spoken to. According to UKI's records, the loss adjuster denied making these comments, but UKI arranged for Ms C's claim to be moved to a different loss adjuster.

While I don't have sufficient information to know exactly what might have been said to Ms C, I think UKI took appropriate steps in response to the allegations she made.

UKI has acknowledged being responsible for delays at the beginning of Ms C's claim. It says it took around three months longer than expected for drying works to be completed.

UKI says there were delays in starting the repair work because of difficulties in contacting Ms C to discuss the repairs and confirm material choices.

Ms C says UKI is responsible for delays in the repair work being carried out. She says she had to chase it every step of the way and the completion date changed a number of times.

From what I can see, the repair work didn't begin until over ten months after Ms C made her claim. Some of this delay was unavoidable as asbestos needed to be removed and drying needed to be completed. I also understand there were some difficulties in contacting Ms C who didn't have internet access and could only be contacted by phone. UKI says she delayed submitting her material choices. However, it's unclear exactly how much this delayed the progression of the claim.

I think UKI is likely to be responsible for delaying the progress of Ms C's claim by a number of months. Ms C says this has caused her a lot of stress. I'm also aware that she has some health conditions which mean the delay is likely to have had a greater impact on her than it might otherwise have done. So, I've taken this into account when considering the compensation UKI should pay her to put things right.

UKI has agreed to pay Ms C a total of £550 compensation for distress and inconvenience. This is in the range of what our service would typically award where a business is responsible for causing considerable distress, upset and worry and / or significant inconvenience and disruption that needs a lot of extra effort to sort out. So, while I appreciate this is likely to be disappointing for Ms C, I'm not persuaded to tell UKI to pay compensation above the amount it's already agreed to.

Ms C says she didn't receive the £150 compensation UKI has noted sending her in early 2023. If the cheque hasn't been cashed, I'd expect UKI to cancel it and pay Ms C the full £550. If the cheque has been cashed, it should pay her £400.

Putting things right

UKI should pay Ms C a total of £550 for distress and inconvenience. It may deduct the compensation it says it's already paid if the cheque has been cashed.

My final decision

For the reasons I've explained, I uphold Ms C's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 13 May 2024.

Anne Muscroft
Ombudsman