

The complaint

Miss K has complained about the service she received from U K Insurance Limited trading as Churchill (“UKI”) when making a claim under the home emergency section of her home insurance policy.

What happened

The background to this complaint is well known to the parties so it serves no purpose for me to repeat it in detail here.

Any reference in this decision to UKI also includes its agents. Miss K has received two final responses from UKI, stemming from the same incident. But the responses were from different business areas – home emergency and buildings. At UKI’s request, this decision concerns only the response from the home emergency team. A separate complaint has been raised regarding the final response from the buildings area of the business.

In summary Miss K complained about the service she received having made a claim under the home emergency section of her policy. She had lost her keys and was unable to gain access to her home. UKI accepted that the claim wasn’t dealt with as efficiently as it might have been. It offered £250 in compensation - £100 of which was to cover a policy excess. Unhappy Miss K referred her complaint here.

Our investigator recommended that it be upheld. He said that given the distress and inconvenience Miss K had experienced £300 compensation was more appropriate, plus the £100 refund of the policy excess. UKI agreed to pay the further compensation.

Miss K felt that a more appropriate amount would be in the range of £1000-£1500, which would consider:

- The actual costs incurred by her family
- The emotional distress and health risks
- The gross misconduct of contractors
- The lack of accountability and explanation

As no agreement has been reached the matter has been passed to me to determine.

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’ve summarised the background to this complaint - no discourtesy is intended by this. Instead, I’ve focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there’s something I haven’t mentioned, it isn’t because I’ve ignored it. I’ve reviewed the file and considered the representations Miss K has made with care. I recognise that

Miss K will be disappointed by my decision, but I agree with the conclusions reached by our investigator for the following reasons:

- UKI has a duty to handle claims promptly and fairly. I've looked carefully to see if it has done so in the circumstances here.
- It is accepted by UKI that things didn't go as smoothly as they might have done when Miss K made a claim under the home emergency section of her policy. The first contractor arrived but left without completing the job and without Miss K gaining access to her property. Miss K said that this contractor damaged the lock. It was three days later when a different contractor came out and quickly gained access. The lock was drilled in order to gain access. This was explained to Miss K and I understand a disclaimer statement was agreed by her. As far as the lock is concerned, I don't think UKI treated Miss K unfairly – the contractor needed to drill the lock in order to gain access.
- I can see that not having access to her home caused Miss K great distress, upset and inconvenience. She was able to stay with relatives but needed access to her home not least because her medication was there. And staying with relatives meant that another family member was displaced. I agree that compensation is due for the impact failure to resolve Miss K's home emergency claim in a timely manner had on her.
- I acknowledge Miss K's statement that a fair resolution isn't just about financial compensation but demonstrating a commitment to rectifying systemic issues to prevent such occurrences in the future. Likewise, I've noted her points listed above about accountability and misconduct of contractors. However, the Financial Ombudsman Service doesn't regulate financial firms - we are not a prosecuting or regulatory authority. We are operationally independent of the regulator, the Financial Conduct Authority. We were set up to resolve certain disputes quickly and with minimum formality.
- That said, I take on board the points Miss K has made with regard to the compensation offered. She has said that she was rendered not just homeless, but resourceless by the insurer's failures. And although I note that Miss K did have access to another address, I accept that the forced reliance on family was a last resort. Although Miss K could have resolved the situation by finding her own locksmith to gain entry much sooner, she understandably chose to rely on her insurance policy.
- It is of course difficult to put a monetary price on distress and inconvenience, and we look carefully at the impact at the impact on the consumer concerned when deciding if an offer is fair. This is set out, with examples, on our website – www.financial-ombudsman.org.uk. Here, given that the inconvenience was over a period of three days, and Miss K was without medication for three nights, I'm satisfied that £300 in compensation is merited. I note that UKI offered to refund the £100 excess Miss K was due to pay under the buildings section of her policy. If an excess was paid to the contractor by Miss K, this refund should be made. However, it seems from the correspondence before me that the sum is outstanding. This is also part of the second complaint, so I won't comment further here.

My final decision

I uphold this complaint. I require U K Insurance Limited trading as Churchill to:

- Pay Miss K £300 in compensation - it may deduct any compensation already paid in respect of this claim
- Refund the £100 excess, if already paid by Miss K

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 24 October 2024.

Lindsey Woloski
Ombudsman