

## The complaint

Miss P has complained about her home insurer U K Insurance Limited. She is not happy with how it handled a claim she made when her home was burgled.

## What happened

There was a break in at Miss P's home in January 2024. All her jewellery, along with watches, cash, antique hair-slides, jewellery boxes and some antique pencils were stolen. The wood framed French doors used by the thieves to enter and exit the property were damaged. Miss P made a claim to UKI.

UKI said it could provide replacement doors – but Miss P wasn't happy that they'd only come with a one-year guarantee. She said her doors had lasted more than twenty years, so she felt doors with only a one-year guarantee weren't like for like. It offered to settle for the doors in cash at its rate to replace them, but Miss P felt that was an insufficient sum.

It was over a month before UKI responded regarding Miss P's stolen items. It said there was no cover for any of them because Miss P's jewellery had not been kept in a safe. Miss P challenged that view. By the end of May 2024, UKI had agreed to cover all items except those classed as jewellery (such as rings and necklaces), and it had asked Miss P to begin compiling a list of all items taken. On 5 July 2024 UKI made a settlement offer to Miss P for her stolen items which it was prepared to cover.

During the course of the claim Miss P had been unhappy about a number of things. She shared her views with UKI and it treated her concerns as complaints. Between 26 March 2024 and 2 July 2024 UKI issued four complaint final response letters. Across those letters it accepted it had failed Miss P at times, including a significant error of understanding about what stolen items would be covered, and paid a total of £700 compensation. Regarding Miss P's concerns about the French doors, UKI felt it had been able to offer a like-for-like replacement and that its cash settlement offer was a reasonable alternative. It remained of the view that items of jewellery were not covered. UKI confirmed that it had not changed any policy wording during the course of the current year's cover.

When Miss P brought her complaint to the Financial Ombudsman Service, it was considered by one of our Investigators. He explained that we could only look at Miss P's concerns up until the date of UKI's fourth final response letter dated 2 July 2024 – so we couldn't look at Miss P's concerns about the settlement offer made on 5 July 2024.

Regarding what had happened with the claim until 2 July 2024, our Investigator agreed that UKI had failed Miss P. But he noted the £700 compensation it had paid and wasn't minded to award anything more. He didn't think UKI had failed Miss P in respect of offering to replace the doors as it had, or in the alternative paying cash based on what the replacement would have cost it. He was satisfied that UKI's response, that jewellery would not be covered, was reasonable.

Miss P was unhappy with that outcome. She said it wasn't fair that from the outset she'd had to push for everything – if she hadn't challenged UKI on everything she'd have received

nothing at all from it. She said there was delay and duplication throughout and she had been made ill by it. Miss P said there had been dishonest behaviour by UKI – and that shouldn't be allowed to pass, not given there are those less able than her to challenge insurers.

The complaint was referred for an Ombudsman's decision.

### **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.

It's fair to say that UKI has accepted that, in some respects, it failed Miss P. It's accepted there were delays and poor communication. It's accepted there was a significant misunderstanding by its claims handler about the policy wording, including which wording applied to Miss P's policy and what items could/couldn't be covered. I can assure Miss P that none of that has gone unnoticed – by either UKI or this Service. And our decisions are published so others can be aware that failings have occurred.

However, it is not our role to punish or fine insurers with a view to making them change the way they do business. That is more the role of the regulator. Our role, looking at the specifics of the individual complaint in front of us, is to note where failings have occurred and what upset has been caused as a result. Then, we'll apply our guidelines for compensation, whilst taking into account any compensation already paid by the insurer.

Here Miss P's claim occurred in January 2024 and UKI's fourth final response letter was issued on 2 July 2024. So that is a period of around five months, during which the claim was continuing but delays were occurring. For example, it was March 2024 before Miss P's claim for stolen items began to progress. It also took UKI several months to reimburse Miss P's boarding up fee. I also appreciate that Miss P felt the need to challenge UKI on everything, and that she had to push to get any settlement from it at all. I appreciate that was frustrating and stressful.

Our guidelines for compensation awards take into account the level of upset caused and the period of time over which that occurred. Where an insurer causes considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out, over the course of many months, the guidelines suggest fair and reasonable compensation would be £300 to £750. I think that description reasonably applies to what happened to Miss P, and UKI has paid £700 compensation already. In the circumstances I think that's fair and reasonable, I'm not going to require it to pay any more.

In saying that I have considered that Miss P became ill during the course of the claim. She's said she is now on medication that she did not have before. However, whilst the claim was undoubtedly stressful for Miss P, I can't be satisfied that the poor health she's suffered was caused by UKI's failings during the claim. Suffering a burglary, needing to make a claim and dealing with everything which goes with that – even when no failings occur – will cause upset and worry, sometimes impacting health. And that natural but unfortunate impact on a policyholder is not something I can award compensation for.

I appreciate that Miss P is unhappy about the replacement doors UKI offered to provide. But I am satisfied they were like-for-like. Miss P's existing doors did not have a guarantee but UKI's policy says it will provide a one-year guarantee. That is what UKI offered. I think that was fair and reasonable.

UKI's policy allows it to choose the method of settlement, and to pay in cash, at its cost, if the policyholder is not happy with its offer to repair or replace. That is what happened here. I'm satisfied that was fair and reasonable.

Miss P's policy contained an endorsement requiring all jewellery items to be kept in a safe. I think it was reasonable that UKI disclaimed liability for Miss P's stolen jewellery items. UKI has agreed to offer settlement for other non-jewellery items, including watches. As our Investigator explained though, I can't look at the offer made in that respect as its post-dates UKI's letter of 2 July 2024.

UKI re-issued policy paperwork in May 2024, I'm satisfied that it only did that to ensure Miss P had copies – it did not make any changes to the policy at that time.

### **My final decision**

As I've said above, I think UKI did fail Miss P in the way it handled her claim. That is unfortunate. However, I've also explained why I'm not requiring UKI to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 10 January 2025.

Fiona Robinson  
**Ombudsman**