

## **complaint**

Mrs M is unhappy with the settlement and handling of her claim for water damage by UK Insurance Limited (UKI) under her house insurance policy.

## **background**

Mrs M suffered problems dating back to 2011 in her flat due to water leaks caused by her upstairs neighbour. She suffered a similar problem from her adjacent neighbour. She made a claim to UKI but says it failed to act and didn't contact her neighbour for several months. The process of repair has now taken over 4 years. UKI says it couldn't start repairing until the neighbour fixed the leaks. It wasn't able to recover against the neighbour as it didn't think there was sufficient evidence that he was negligent. It agrees there were some failings in its service and has paid Mrs M a total of £555 compensation

On referral to this service our adjudicator upheld the complaint. He thought it should complete the outstanding repairs which are:

- The kitchen tiles & wallpaper within the kitchen
- The lounge flooring
- Poor decoration

He thought UKI should also increase the compensation to £2,000.

UKI disagreed, it didn't think it was responsible for a large part of the delays. It also didn't think it should pay backdated interest.

The matter has been referred to me for a decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have noted that the length of time this matter took was not all down to UKI. By Mrs M's account the neighbour wasn't very co-operative and took a long time to act on any problems. But it does look like there was some poor communication by UKI in the early stages. Whilst it may have decided in the end there wasn't sufficient evidence, it was slow in liaising with the solicitors it had appointed to investigate. There were delays or lack of information about the progress of the repairs. Some calls weren't returned. There was also some poor workmanship and the drying equipment was removed too early. Mrs M says as a result of living in a damp house for four years, her and her son's health have suffered..

The overall impression I get is that whilst there may have been good reasons for some delaying and not recovering from the neighbour they weren't explained adequately to Mrs M. I think the compensation should be increased to £2,000. UKI can take account of any money it's paid for Mrs M's trouble and upset as opposed to any financial losses.

I think UKI also should deal with the three areas of outstanding repairs, which it says it's willing to do. If it makes a cash settlement I see no reason why it shouldn't pay interest from the date of loss. I understand that there were claims made on different dates. UKI can assess when the damage caused by each particular claim happened. In the case of

rectifying the poor workmanship (repainting the woodwork) this should still be from the original claim as it will have to be redone.

So overall I think UKI should carry out the outstanding repairs and increase its compensation award to £2,000;

**my final decision**

I uphold the complaint. I direct UK Insurance Limited to:

Carry out the outstanding repairs to:

- the kitchen tiles & wallpaper in the kitchen
- the lounge flooring
- the woodwork

If it pays a cash settlement add interest at 8 % per year (less any tax properly deductible) from the date of loss to the date of payment, as I have set out above.

Increase the compensation awarded to Mrs M for its handling of the claim to £2,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 January 2016.

Ray Lawley  
**ombudsman**