

The complaint

Mr H complains about U K Insurance Limited trading as Churchill Home Insurance's (UKI) handling of a home insurance claim.

What happened

Mr H insures a property with UKI. The property was damaged due to subsidence and he made a claim on the policy several years ago and the claim has been ongoing since then.

UKI's accepted cover for the claim, and been carrying out repair and reinstatement works at the property. Mr H made a complaint about various matters relating to the way the claim was handled and the works carried out.

In its response to his complaint, UKI rejected the majority of the points raised by Mr H. It did acknowledge that there were aspects where the service he received fell below the required standard and agreed to pay £100 compensation.

Mr H referred the complaint to our service. Our investigator thought that, while UKI's approach to some matters had been reasonable, there were others where it hadn't acted fairly. She recommended that as well as putting things right for those specific points, UKI should pay a further £200 compensation, making £300 in total.

UKI didn't accept our investigator's findings, and asked 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.

Mr H's complaint covers a lot of different, unrelated points, so I'll deal with each of these in turn. There were elements of the complaint which our investigator thought shouldn't be upheld. Mr H hasn't objected to her conclusions on these points, and UKI hasn't commented on these. Having reviewed the evidence available to me, I'm in agreement with our investigator's opinion, so I'll cover these briefly.

Return of items in storage

From what I have available, it appears that discussions around the return of Mr H's car from storage was arranged between Mr H and the storage company directly. UKI suggested this would be the best way to arrange this. I'm satisfied that UKI acted reasonably here.

Outstanding repair and reinstatement works

I'm only considering the complaints made about outstanding works up to the point that UKI issued its final response to the complaint. I'm aware that at that point, there were works which still needed to be completed and UKI had communicated how it intended to proceed with these. I'm not persuaded that there were any unreasonable delays around these, or any avoidable issues with how this was communicated to Mr H.

I'm aware that the outstanding works are the subject of a further complaint from Mr H to UKI, and potentially to our service. I won't comment further here.

Garage doors

Mr H raised concerns about the garage doors which had been installed as part of the works. He said they didn't lock. UKI spoke to the manufacturers and confirmed they were lockable. Mr H was informed that if he could provide alternative evidence, UKI would look into this. I can't see that he did so. Mr H also said a motor needed to be installed. UKI's position was that this would be private works, not covered by the claim.

Our investigator concluded that UKI's response to these points was reasonable. I agree. I haven't seen any evidence from Mr H suggesting there was an issue with the specification or fitting of the garage doors which meant they couldn't be locked if following the manufacturer's instructions. There's also no requirement on UKI to fit a motor to the doors, and so Mr H's desire to do so would be something he would need to arrange and fund himself.

Allegations of blackmail

Mr H says that UKI's contractor, who was carrying out both the reinstatement works and additional works which weren't covered by the claim, effectively blackmailed him by demanding payments in order for the claim works to continue.

From the evidence available to me, the contractor was in contact with Mr H about the process of the works, and outlining the amounts due for the costs which weren't being covered by UKI. I can't agree that the conduct of the contractor amounted to, or could be considered, blackmail or threats.

Data protection breaches and illegal recording

Mr H was concerned that phone calls he'd made with the contractor had been recorded and shared with UKI.

UKI's position was that the contractor was working on its behalf and so it was the data controller for the calls in question. It also said there was no legal it for Mr H to be told the specific calls were being recorded. From what I can see, this seems to be the case. There's a general duty to inform parties that calls may be recorded, and the policy terms and conditions do state this.

Conduct of UKI's representative

Mr H was unhappy that during a phone call, the UKI representative laughed at him. UKI acknowledged this would have been upsetting but that the representative had responded to something Mr H had said. This was one of the reasons given for UKI paying the £100 compensation to Mr H.

We haven't been provided with the phone call in question. It's accepted that the representative did laugh during the call, and UKI has acknowledged this would have been distressing for Mr H, and paid compensation for this. It's also said it provided feedback to the representative. I'm satisfied it gave a reasonable response to this point.

Having addressed these matters, I'll now go on to consider the parts of the complaint our investigator should be upheld and which UKI didn't agree with.

Security at the property

Mr H says that the contractor didn't properly secure the property, and that as a result items were stolen from the garden. UKI says that the contractor installed temporary fencing and storage was arranged for Mr H to secure any items he wanted to. It's said he can submit a claim on the policy for the items stolen which would be considered in line with the policy terms and conditions.

It was our investigator's view that there were flaws in the security put in place at the property. In particular, she felt that the positioning of a portable toilet at the property left a gap through which access could be gained to the garden. UKI has suggested that the toilet was originally placed in a position whereby it prevented access to the garden but was then moved by Mr H.

In support of his position, Mr H has sent us photos and videos showing the position of the portable toilet, and there's no dispute that its position in these would allow access to the garden. UKI's position would therefore seem to be that Mr H has moved this prior to taking the photos and video. It hasn't given any explanation for how he'd have been able to do this, or why he'd have elected to do so. There aren't any photos of the position UKI says it was originally placed in.

On balance, I'm therefore minded to accept Mr H's evidence here that the fencing and portable toilet was positioned in such a way as to allow unauthorised access to the garden. I can appreciate that this would have caused distress to Mr H, and this is apparent by the fact he took photos and video which indicate his dissatisfaction with what happened.

It seems to have been accepted that any claim for the theft will need to be submitted on the policy, so I won't be commenting on whether UKI should be making a settlement for those items.

Hallway tiling

As part of the repairs, the tiled kitchen floor was replaced (matters relating to the kitchen tiling are considered below). The pre-loss layout had the kitchen tiles extending for a few inches beyond the door. In what it termed a "gesture of goodwill" UKI (through its contractor) agreed to use tiles which were already in Mr H's possession of the same type as in the hallway to be used mean the join between the two types of tiles was in line with the door.

Mr H's complaint about what's happened here focuses on two points. The first is the quality of the work done to install these tiles. The second is that the use of these tiles was intended to be temporary, with UKI replacing them permanently and also replacing the tiles he held for his own use.

With regards to the first point, I do agree that the tiles haven't been fitted to an adequate standard. The photos I've seen suggest that they aren't level, with a noticeable lip between tiles. Even though this was as "gesture of goodwill," it seems to me that the placing of these tiles was part of the claim – the area they're placed on was the subject of repairs by the removal of the original floor. The gesture of goodwill element seems to be that they've used hallway tiles rather than kitchen tiles. I'm satisfied that whatever tiles were used, UKI is liable for a lasting and effective repair. Having uneven tiles is not an effective repair.

With regards to the second point, I do think the evidence tends to suggest that the use of the tiles already in Mr H's possession was intended as a temporary measure. Mr H has provided evidence to us of him sending details of the tiles to the contractor, which suggests to me that he intended the contractor to source new tiles to complete the works.

Mr H has also said that he intended to use the tiles he already had to replace other broken tiles already in the hallway. I think it's reasonable therefore that UKI cover the cost of replacing these tiles, as well as the cost of replacing and properly levelling the tiles which were installed temporarily.

To put things right here, UKI needs to replace and properly level the tiles it installed as part of the "gesture of goodwill," to ensure that a consistent level and finish is achieved. It also needs to replace the two tiles that were used by the contractor to carry out the ineffective repair.

Kitchen tiling

Mr H was sent, and has paid, an invoice which included a £710 surcharge for kitchen tiles. UKI's position is that this was due because Mr H had been asked to choose tiles for the kitchen and it would pay a maximum of £50 (excluding VAT) per square metre. It's accepted that Mr H agreed to pay any amount in excess of this.

UKI says that the tiles chosen by Mr H had a retail price of more than £85 per square metre. Mr H says the retail price was less than £50 per square metre, and has sent us a link to the retailer's website confirming this.

Our investigator thought UKI should provide a detailed breakdown of the costs to show how the additional amount had been reached. My concern was that this wouldn't resolve this point and may lead to further dispute about the costs. I think it's important that I make a finding on whether the additional costs could be fairly charged to Mr H.

I've explained to both parties that I was minded to ask UKI to repay the £710, plus 8% simple interest from the date of Mr H having paid it to the date of settlement. Mr H agreed with this, but UKI didn't.

UKI says that replacing the existing tiles could have been done using tiles costing £11.99 per square metre, and provided me with evidence of this. UKI agreed to cover costs up to £50 per square metre. That's my starting point here, not what a like for like replacement would have cost. UKI could have placed a limit of £11.99 per square metre, but didn't do so. What's relevant here is whether the tiles chosen by Mr H did cost more than £50 per square metre.

UKI relies on a quotation, which it says was based on a retail price of the chosen tiles of £88.78 per square metre. It hasn't provided any evidence showing this retail price, either now or at the time of them being purchased. The quotation referred to doesn't give a rate or quantity of tiles required to reach the total cost. The suggested cost of £88.78 per square metre isn't shown in the document. What I do have is both current and historical links suggesting that the retail price was less than £50 per square metre. A link to the retailer's website indicates that this is the case now. More significantly, however, I've also been able to view archived versions of this link, and this suggests that at the relevant time, the costs were less than now.

While UKI's contractor says it received a discount on the tiles, taking it to less than £50.00 per square metre, I note that the amount the contractor says it paid after it obtained a discount matches the quoted retail price on the archived link to the retailer's website. This, by UKI's evidence, amounts to a discount of over £50 per square metre from the tile retailer, who the contractor hadn't previously purchased from. In any case, the evidence available to me leads me to conclude that Mr H chose tiles which he fairly concluded had a retail price of less than £50 per square metre. This is what UKI had said it would cover.

UKI makes two further arguments about why it should fairly be allowed to charge this

amount. The first is that Mr H agreed to it and paid the costs. I'm not persuaded this is relevant here. The issue I'm addressing is whether it was fair for Mr H to be asked to pay it. If he agreed to do so, and did pay it, but it wasn't reasonable to ask him to do so, then the reasonable conclusion is that UKI should refund this.

UKI also says that Mr H acted unreasonably by contacting the tile supplier and indicating he worked for the contractor, in order to obtain a copy of the invoice for the amount paid by the contractor. Again, this isn't relevant to my considerations here. What I'm looking at is whether it's been demonstrated that retail price of the tiles was more than £50 per square metre. What Mr H did or didn't do in order to establish the amounts paid by the contractor isn't relevant to that question.

On balance, I'm not persuaded that UKI's shown that the £710 for the additional tiling was charged reasonably.

I require UKI to repay the £710 paid by Mr H. It must also pay simple interest at a rate of 8% per year from the date Mr H paid the contractor to the date of settlement.

Damaged garden items

Mr H has complained that a garden table and arbour have rotted due to being left on wet grass for extended periods during the repairs. Our investigator agreed that the deterioration could be attributed to the actions of UKI's contractor and so it should be liable for the replacement costs. UKI disagreed, saying these were items intended for outdoor use so it shouldn't be liable for the damage. It also said that storage was available on site and could have been used for these items.

While it's accepted that these items are outdoor furniture, they'd ordinarily be placed on concrete or other hard standing. For an extended period during the repairs, they were kept on the grass and so moisture from there has evidently caused the wood to rot.

I do agree that it's fair to hold UKI liable for this, as it would seem that keeping them on the grass was a decision taken by its appointed contractor. If they'd been kept on hard standing as they should have been, then the damage likely wouldn't have occurred. I also can't agree that they should have been stored during the works.

I think it's fair for Mr H to have assumed that items outside which would otherwise have been ok if left in situ (ie on hard standing) didn't need storing. I'm also aware that the storage referred to by UKI as being available was for specific, high value items which were at the property and had to be moved in order to effect the repairs. I'm not persuaded it's reasonable to expect this garden furniture to have been stored in the same place.

Compensation

I've therefore concluded that there were aspects of the matters complained about which could have been dealt with better. UKI unreasonably required payment for additional tiling, the property wasn't properly secured, the garden furniture was damaged and the representative laughed during a phone call.

All of these matters would have caused Mr H distress and inconvenience. He'd have been concerned about receiving (and paying) unnecessary invoices, the property not being secure allowing unauthorised access to the garden and been upset by the conduct of UKI's representative on the phone.

I don't think the £100 compensation paid so far by UKI properly recognises this. I think that

£300 in total, so an additional £200, is a better reflection of the distress and inconvenience caused to Mr H by these issues.

My final decision

It's my final decision to uphold this complaint in part. In order to put things right, U K Insurance Limited trading as Churchill Home Insurance must:

- Replace the temporary tiling with a consistent and level finish.
- Replace the tiles given to the contractor by Mr H to carry out the temporary works.
- Refund the £710 paid by Mr H for the additional kitchen tiling costs, as well as 8% simple interest on this amount from the date Mr H paid this to the date of settlement.
- Pay an additional £200 compensation, making £300 in total. UKI must pay this amount within 28 days of us telling it Mr H has accepted our decision. If it doesn't then it must pay 8% simple interest on this amount from that date to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 September 2022.

Ben Williams
Ombudsman