

The complaint

Mr and Mrs B are unhappy with the way U K Insurance Limited (UKI) handled their claim under their buildings insurance following a fire at their home. For ease of reading, I'll refer only to Mr B throughout my decision.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving the reasons for my 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.

Having done so, I've decided to uphold Mr B's complaint for broadly the same reasons as our investigator.

Mr B provided extensive information to support his complaint. Firstly, I'd like to reassure him that I've looked at all his evidence, but I won't comment on everything he's submitted. I've taken the approach of commenting on evidence where I think it helps to explain my decision, while considering the complaint as a whole.

There's no dispute that UKI didn't handle Mr B's claim as well as he could reasonably expect. UKI acknowledged the avoidable delays it caused; failure to communicate fully or in a timely manner; poor workmanship; damage caused by contractors; outstanding repairs, and loss of enjoyment of his home during the 18 months leading up to this complaint. During that time, there was also a change of contractors which caused further delays, and Mr B was unhappy with the repeated visits without seeing progress.

In recognition of the overall inconvenience and distress caused, UKI paid Mr B £800 compensation. Our investigator recommended that UKI pay a further £700 compensation, which it agreed. To clarify, this would be total compensation of £1,500 in recognition of UKI's failure to treat Mr B fairly and the inconvenience and distress caused. I've thought carefully about the compensation and I consider it reasonable in the circumstances. That's because UKI will separately arrange to rectify workmanship issues and progress the claim – the compensation is to address the inconvenience and distress only. Therefore, I'll require UKI to pay a further £700 compensation by way of apology for the inconvenience and distress caused.

The outstanding issue, now, is that Mr B doesn't think the compensation offer is enough, and he doesn't think compensation alone resolves his complaint. He would like to see clear evidence of claim progression.

As I've said, I'm satisfied that the overall compensation is reasonable in the circumstances. Mr B would always have experienced inconvenience simply because his home was damaged by fire. And claims of this nature do take time. The compensation I've required

here is to address the additional inconvenience and distress caused which could've been avoided. It's not intended to compensate Mr B for any inconvenience he experienced during times when UKI was carrying out necessary work to repair the damage.

While I understand Mr B wants me to require a clear way forward with his claim, that's not something I can do. That's because UKI has offered to employ different contractors to rectify the poor workmanship and to progress the overall claim, or to pay Mr B a cash settlement so he can make those arrangements himself. Until he informs UKI which route he'd like to take, it's difficult for the claim to progress.

Having looked at Mr B's objection to UKI's offer of new contractors or a cash settlement, it's not clear which option he'd prefer. He said it should be the contractors who made the mistakes that put matters right, but I see he's lost faith in their ability. Mr B doesn't think new contractors should do the work because it will necessitate starting again. And he doesn't think a cash settlement is appropriate because he doesn't see why he should have to make the arrangements.

I take his point here. But there's little UKI can do until he decides how he'd like to proceed. Mr B would like specialist contractors to complete each element of the outstanding repairs. UKI explained that it would prolong work completion which I understand would be because of the difficulty coordinating. Even so, it's for UKI to decide how to complete the work if Mr B chooses the option of using UKI contractors. So, in all, I think UKI's offer of new contractors or a cash settlement is a fair offer and should allow the claim to progress.

I've noted Mr B's comment that the policy terms and conditions shouldn't apply to repairs for damage that was of UKI's making. I don't agree. That's because UKI has offered to put it right using its contractors. If Mr B chooses to take a cash settlement, there's no reason UKI should have to incur a higher cost than if it used its own contractors. So, while the damage might not be an insured event covered under the policy, I'm satisfied that applying the terms and conditions here offers a fair and reasonable approach to covering the cost of the repairs in the circumstances.

I'm sorry that Mr B experienced fire damage to his home and that reinstatement to a satisfactory standard has become a prolonged matter. However, my view is that UKI has made a fair and reasonable offer to put matters right, and that an additional £700 compensation is reasonable for the additional, yet avoidable, inconvenience and distress caused.

I understand Mr B has outstanding issues he wants UKI to address beyond those which I have considered here. He didn't raise these issues sooner because he'd hoped to have the full claim considered in one go once the repairs were completed. Unfortunately, I can't consider the issues which arose after, or which Mr B hadn't raised before bringing his complaint to this service, so he'd need to raise these issues with UKI in the first instance.

My final decision

Having considered all the evidence, my final decision is that I uphold Mr and Mrs B's complaint and U K Insurance Limited must:

- pay £700 compensation in recognition of the additional, yet avoidable, inconvenience and distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 15 November 2022.

Debra Vaughan
Ombudsman