

The complaint

Mr and Mrs P complain about how UK Insurance Limited ("UKI") handled a claim they made on their home insurance policy following a burst pipe at their home.

UKI are the underwriters of this policy and part of this complaint concerns the actions of the agents acting for it. As UKI have accepted it is accountable for the actions of the agent any reference to UKI includes its agents.

What happened

Mr and Mrs P have home insurance with UKI.

In August 2021 they had a burst water pipe in their living room. They contacted a plumber who dug up the living room floor in order to locate and repair the leak. Mr and Mrs P contacted UKI to report the problem.

UKI initially said the policy didn't cover the work since it said the leak was due to 'wear and tear'. Mr and Mrs P say UKI finally agreed to cover the claim.

Since the pipe had been leaking for some time four dehumidifiers were installed in their home for 16 days in order to dry it out. Mr and Mrs P say the noise and the heat from them was unbearable. And for the duration of the dehumidifiers being on it caused the kitchen to become very hot and so Mr and Mrs P say they were unable to use the kitchen.

As part of the floor replacement Mr and Mrs P say zigzag trenches needed to be filled and the floor levelled before the laminate could be installed. The trenches weren't covered by anything and so they had to 'jump' over them in order to get around.

The trenches were filled and the latex screed was laid ready for the laminate. Once the floor started to be put down Mr and Mrs P said they noticed there was some movement where there shouldn't have been and so they asked for a surveyor to come and check the floor. The flooring had to come up and new screed put down to level it properly. This led to further delays in getting the repairs completed.

In January 2022 Mr and Mrs P had to chase UKI again regarding the repairs as there were plinths which still needed to be fitted in the kitchen. Mr and Mrs P say the work was finally completed at the end of January.

Mr and Mrs P say while this work was ongoing they had doors and windows open in the cold weather to allow for works to be completed. While the dehumidifiers were installed they were unable to use their kitchen. Mr and Mrs P say they should have been offered alternative accommodation instead of living in their home while they waited for the work to be completed.

UKI said the service Mr and Mrs P had received wasn't to the standard it would have expected. It apologised for the level of service Mr and Mrs P received and paid £225 by way of an apology.

Mr and Mrs P weren't happy with the response from UKI and so referred their complaint to this service. Our investigator looked into things for them and agreed Mr and Mrs P hadn't received the level of service he would have expected and so he increased the compensation offered by UKI by £175 taking the total compensation payable by UKI to £400.

Mr and Mrs P didn't feel the level of compensation offered adequately acknowledged the distress and inconvenience caused to them by the situation. And UKI didn't think it needed to increase the offer since its original offer was fair. And so the complaint came to me to decide.

My provisional decision

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might be best resolved. I said:

My provisional findings focus on what I consider to be the central issues. This isn't meant to be discourteous. But the purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. I understand Mr and Mrs P have strong views about what has happened and I can empathise with the situation. I have read and considered everything I have received carefully.

UKI have upheld Mr and Mrs P's complaint as they accepted the level of service they provided fell short of what Mr and Mrs P were entitled to expect. So I'm only considering whether the offer made adequately reflects the inconvenience caused by those failures in service.

UKI accept the contractors missed items from the schedule of works which led to delays. I can see UKI spent a lot of time trying to get updates from the contractors, and to arrange for them to contact Mr and Mrs P in order to resolve the outstanding repairs. And this is what I would have expected it to do. It is unfortunate that those efforts didn't always lead to the contractor contacting Mr and Mrs P, or even providing UKI with an update. But I can see UKI were attempting to resolve Mr and Mrs P's concerns for them, and to move the repairs on as much as it could.

UKI should've been able to organise and repair the damage much sooner than it did. And the insurer's repeated errors caused significant inconvenience for Mr and Mrs P as they were left cold and without the use of their living room for longer than was necessary. It also caused them a lot of worry and day to day disruption.

I accept that contractors visiting on many different occasions was inconvenient and having to continuously chase UKI to sort things out has been added effort. I also acknowledge that having open trenches was not safe given the mobility issues Mr P describes. I can see Mr and Mrs P have suffered considerable stress and anxiety as a result of this matter, at a time when things were already difficult for them in trying to keep healthy and safe.

I can see from looking at the complaint notes, and from Mr and Mrs P's testimony that what should have been a fairly straightforward claim became time consuming and stressful. There have been mistakes, periods of inactivity, and failures to communicate with Mr and Mrs P. This has resulted in wasted time on their part making repeated calls to chase things up and waiting for contractors. This has all taken place over a five-month period when it really should have been a matter of weeks.

UKI have offered Mr and Mrs P £225 compensation and our investigator has increased this by £175 to £400. However considering what I've set out above I think the offer should be increased to fairly reflect the distress and inconvenience Mr and Mrs P have been caused.

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Response to my provisional decision

UKI had no further comments.

Mrs P provided more detail about the impact of the situation and expressed dissatisfaction with the compensation offered. I refer Mrs P to the service's approach to payments for distress and inconvenience on our website.

Neither party has raised any additional points not previously considered

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.

In light of the fact that neither Mrs P or UKI had anything new to add to the findings set out in my provisional decision (which I've reproduced here and which forms part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute. For the reasons I've set out above I'm upholding Mrs P's complaint.

Putting things right

UKI should pay Mr and Mrs P a total of £700 to reflect the distress and inconvenience caused to them. I think this is fair and reasonable in the circumstances and is broadly in line with the awards which we make for trouble and upset as set out on our website.

My final decision

For the reasons I've explained I'm upholding Mr and Mrs P's complaint and direct UK Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 7 April 2023.

Kiran Clair
Ombudsman