

The complaint

Mrs R has complained about the way U K Insurance Limited dealt with a claim she made in 2017 and issues she has continued to have with damage to her home.

Mrs R made a claim for an escape of water under her home and buildings insurance policy.

What happened

In 2017 Mrs R made a claim to her insurer UKI for an escape of water. UKI arranged for Mrs R to move into alternative accommodation, for the property to be dried out and carried out repairs. UKI wasn't able to source the cause of the leak. Mrs R believed it came from a neighbour's property.

In 2019 Mrs R contacted UKI again and in 2021 due to ongoing damage as the leak reoccurred. UKI advised Mrs R to contact her then insurer. But having investigated things, the then insurer declined the claim and referred Mrs R back to UKI. On receipt of a further report, UKI accepted that it should have provided more assistance to Mrs R in 2019 and 2021. It agreed to meet the costs to repair Mrs R's home and paid her compensation of £550.

Mrs R didn't think the compensation UKI paid was enough to reflect the distress, worry and upset she'd been caused during this time.

Our Investigator thought UKI should increase the compensation it paid to £1,000. She considered the impact the ongoing issues had on Mrs R and that this would have been much less had UKI properly dealt with things when Mrs R contacted it in 2019.

UKI didn't agree. It believes the compensation it has paid is fair.

Mrs R provided a letter from her GP which we shared with UKI, describing the impact the leak into Mrs R's home and the ongoing issues has had on her wellbeing.

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.

I think it's clear that Mrs R looked for assistance from UKI in 2019 because the damage that had been originally caused was reappearing in the same areas of her home. I understand that the neighbouring property was the cause of the water ingress, and the water supply was switched off for a time while the property was unoccupied. So when UKI carried out the first set of repairs, the property dried successfully and Mrs R moved back in from alternative accommodation.

However, it seems when new tenants occupied next door and the water supply was switched back on, the damp issues reoccurred.

Mrs R has spent three years in contact with her then insurer and UKI looking for a resolution. UKI accepts that it failed to act properly in 2019. I think if it had properly reconsidered Mrs R's claim then, the impact of having to deal with an insurance claim again would have been much less than it was.

Some of the cause of the upset and distress is outside of UKI's control. But UKI was prompted to address Mrs R's concerns after her current insurer provided a report confirming the cause of damage as being the same as in 2017 to UKI. UKI instructed a specialist to visit Mrs R's property and in November 2022, findings revealed long term water damage from 2017, which UKI has agreed to meet the costs to have repaired.

UKI has offered to pay Mrs R £550 compensation for the distress and inconvenience caused. I don't think this is enough to reflect the inconvenience and length of time it has taken - since 2019 - to properly deal with Mrs R's concerns that there was ongoing damage related to her original claim.

In line with similar awards which we give, I think a fairer compensation award is £1,000. Due to the time that has passed, UKI says call recordings are no longer available to assess what was discussed between Mrs R and UKI in 2019. Nevertheless, I think it's clear from Mrs R's account and the medical evidence provided that the impact of prolonged dealings with the insurers has caused significant distress and worry over a considerable period of time and had an impact on Mrs R's physical and mental health. Had UKI fairly dealt with her concerns in 2019, I think this would have reduced the impact the claim has had on her.

My final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to pay Mrs R £1,000 compensation for the distress and inconvenience it caused.

U K Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If U K Insurance Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs R how much it's taken off. It should also give Mrs R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 18 May 2023.

Geraldine Newbold
Ombudsman