

## **The complaint**

Mr R complains U K Insurance Limited has handled his property insurance claim poorly.

For simplicity I've referred to UKI's agents' and contractors' actions as being its own.

## **What happened**

In January 2021 Mr R made a claim against his UKI insurance policy when his property suffered water ingress. UKI accepted the claim. After investigation, it was found the problem resulted from issues with Mr R's neighbour's drains. UKI began reinstatement work after the neighbour confirmed action had been taken to resolve the problem. But in October 2021, the property experienced further water ingress. In November 2022 there was a third incident.

In November 2021 Mr R complained about various aspects of how UKI had handled the claim – including its failure to request a drainage report from his neighbour. UKI issued a final response letter in February 2022. Its response included accepting it had made a mistake by not requesting the report. UKI offered £250 compensation for any distress and inconvenience this caused – but said it wasn't responsible for any additional damage. Finally it said it had appointed solicitors to consider recovering claim costs from Mr R's neighbour.

Later in 2022 Mr R raised a further complaint. UKI issued a further final response in December 2022. It said it had previously explained to him why it had decided against pursuing recovery of claims costs from the neighbour – it felt it couldn't hold him to be negligent. It said there had been a delay in dealing with snagging issues due to weather – but they would be dealt with. UKI didn't accept it had taken too long to appoint a surveyor to consider the third ingress. Finally it said there would be no additional costs or terms to Mr R's insurance resulting from increased claim costs.

In January 2023 Mr R came to this service. He's raised various concerns with UKI's handling of the claim and the time taken to resolve it. These include not being advised if there's a chance of cost recovery from his neighbour. He's said if UKI had obtained a forensic report at the outset, rather than two years in, it's likely the causation and liability would have been determined and appropriate works carried out to prevent the further incidents.

To resolve his complaint he said he would like the cause of the problem and its rectification addressed proactively – and a completion report issued. He would like to be compensated for the time and effort he's put into the issue. He doesn't accept £250 to be enough. Finally he requested for his future policy terms or premiums not to be affected by UKI's poor claim handling.

In April 2023 our Investigator issued his opinion. He said as Mr R had come to this service more than six months after the February 2022 final response had been issued this service is unable to consider the issues it covered. He explained he would consider events after that date.

The Investigator felt UKI had acted reasonably when deciding not to try to recover claim costs from Mr R's neighbour. He felt it had appointed a surveyor in reasonable time following

the most recent water ingress in October 2022. He was of the opinion UKI had caused unavoidable delays regarding snagging issues and had communicated poorly at points. He recommended it pay Mr R £350 compensation in recognition. UKI accepted that outcome. But as Mr R didn't the complaint was passed to me to decide.

I agree that Mr R referred his complaint to this Service more than six months after the February 2022 final response. I haven't seen any exceptional circumstances that stopped him from coming to us in time. So I'm unable to consider the issues and concerns addressed in that complaint. In line with the Investigator I've considered Mr R's complaint points relevant to the December 2022 final response. Mr R raised a further complaint with UKI. It responded in July 2023. Issues raised and addressed relevant to that complaint will be considered in a separate complaint with this Service.

### **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 R's frustration appears to be with the time taken to resolve the claim – and the repeated incidents of ingress. So I've tried to look at the aspects of his complaint, that I can consider, from that perspective. As this is an informal service, I'm not going to respond here to every complaint point or piece of evidence from Mr R. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both Mr R and UKI that I have considered everything provided.

Mr R made the point that had a forensic report been commissioned, by UKI, much earlier than it has been further loss may have been prevented. He's also frustrated the insurer didn't appoint a surveyor earlier in the claim. In response it said there wasn't any evidence to suggest, earlier in the claim, that there was a need to do so.

Overall I haven't seen enough to persuade me UKI failed to make appointments at reasonable points in the claim. It seems to have appointed specialists at appropriate and reasonable times - based on the need as it understood it at the time.

I understand why Mr R would like his claim resolved as soon as possible. I can see UKI has taken further steps to find out the cause and identify a resolution – by appointing the forensic specialist. I'm satisfied, up to the point in the timeline I've considered, that UKI's taken reasonable steps to deal with the claim.

I can see UKI has previously advised Mr R that it decided not to pursue recovery of costs from his neighbour. It's referred to a lack of negligence from the neighbour, with him having taken steps to resolve the drainage problem. Based on what I've seen I can't say UKI made an unreasonable decision.

UKI explained to Mr R that he won't face any increased premium or amendments to his policy due to additional claim costs resulting from its mishandling of the claim. I haven't found that it's mishandled the claim in any significant way. So I couldn't fairly require UKI to take steps, like amend claim records or pay relevant compensation.

UKI accepted our Investigator's recommendation it pay £350 compensation. This was primarily to recognise the impact of delays to completion of snagging works and poor communication.

I've considered Mr R's description of the impact of this claim on him and his family. This includes being without the full use of various rooms. He's also referred to the impact the claim has had on his relationship with the neighbour. Unfortunately claims of this nature often have a significant impact on those involved. They can take time to resolve, particularly where matters are dependent on a third party.

But I can only award compensation to recognise any unnecessary or additional distress and inconvenience an insurer's responsible for. I don't have the remit to fine or punish. I agree £350 is a fair amount for UKI to pay to recognise the additional distress and inconvenience its responsible for (for the issues and period I've considered for this complaint).

### **My final decision**

For the reasons given above, I require U K Insurance Limited to pay Mr R £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 September 2023.

Daniel Martin  
**Ombudsman**