

The complaint

Miss M has complained about how U K Insurance Limited (UKI) dealt with a claim under a home contents policy.

What happened

Miss M had a fire at her home and made a claim under her home contents policy. She complained to UKI because she wanted to move to alternative accommodation. UKI said it couldn't provide alternative accommodation because it should be provided by her landlord.

So, Miss M complained to UKI. When UKI replied, it said it was only liable for alternative accommodation if the property was uninhabitable. However, the property was habitable, so it was unable to authorise it.

When Miss M complained to this service, our investigator upheld the complaint. She said the evidence suggested there was soot in the property, which particularly affected the lounge and kitchen. Miss M had explained that her landlord wasn't able to help her and the UKI policy said alternative accommodation would be offered where a property wasn't habitable. Our investigator said UKI should pay £300 compensation because it should have offered alternative accommodation.

As UKI didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

This decision only covers the period up to 27 February 2023, which was the date on which UKI issued its response to Miss M's complaint. I am aware that Miss M is still concerned about various aspects of her claim. However, these do not form part of this decision.

The policy said it provided alternative accommodation as part of a claim where the property was uninhabitable. In response to her complaint, UKI told Miss M that her home wasn't uninhabitable, so it wouldn't provide alternative accommodation.

UKI told this service that a company that inspected the property said the soot damage was very light. I've looked at the company's report from its visit. This said there was soot damage to the kitchen, lounge, hallway, stairs, landing, bathroom and bedroom one and that "*Apart from the lounge and kitchen most area is lightly sooted damage*". I think this showed that at the time of the assessment various parts of the property were assessed to have light soot damage, but this wasn't the case for the lounge and kitchen. The report also listed a range of cleaning that needed to be carried out to deal with some of the damage to the property.

I'm aware Miss M and her child had health issues. I think soot damage to the kitchen and lounge were likely to impact Miss M and her child's particular health condition, including because the soot affected key areas of her home, such as the living room and kitchen. So, based on that I think it is more likely than not that the property wasn't habitable around this time.

UKI has also said Miss M's landlord should have offered her alternative accommodation and did so at one point, but Miss M declined it. I haven't seen evidence to show that the landlord should have done this or that Miss M declined an offer from the landlord. I'm aware that, even if it was possible, Miss M also had concerns about the type of accommodation the landlord might be able to find and that she might be required to pay for it. Looking at the policy documents, these also didn't say that UKI would only provide alternative accommodation if the landlord wasn't able to do so. So, I'm not persuaded that this was a reason for UKI not to offer alternative accommodation.

I'm aware UKI has also said that it offered alternative accommodation, which Miss M declined. It is my understanding that this offer was to stay in a hotel for one weekend at the end of the week in which the fire happened. However, it was after this that the condition of the property seemed to be assessed in more detail and that the condition of the living room and kitchen was noted. So, I don't think this showed that it was fair not to offer alternative accommodation.

So, thinking about all of the above, I think the findings of the inspection combined with Miss M and her child's health issues meant that the property was likely not to have been habitable at that time. As a result, I think UKI should pay Miss M £300 compensation for the impact on her of it not offering alternative accommodation.

Putting things right

UKI should pay Miss M £300 compensation.

My final decision

For the reasons I have given, I uphold this complaint. I require U K Insurance Limited to pay Miss M £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 30 August 2023.

Louise O'Sullivan
Ombudsman