

The complaint

Ms R has complained about claim delays by U K Insurance Limited trading as Privilege Home Insurance (UKI) under a home insurance policy.

What happened

Ms R contacted UKI to make a claim when lightning damaged her home. UKI accepted the claim and appointed contractors. Ms R later complained to UKI about a range of issues, including delays with the claim and damage caused by the contractors.

UKI didn't respond to the complaint. So, Ms R complained to this service. Our investigator upheld the complaint. She said there had been a range of issues with the claim, including Ms R having to chase for responses and chasing for payments to be made. She said UKI should pay Ms R £800 compensation because of the poor service.

As Ms R didn't think the compensation was enough, 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.

I've looked at the evidence from both parties to understand what happened during this claim. There were a number of occasions when Ms R had to chase for progress on the claim, including to get payments for alternative accommodation before she needed to pay the accommodation provider. Ms R also had to extend her stay in alternative accommodation. However, because a payment wasn't made by UKI in time, Ms R had to move from rented accommodation to a hotel at short notice and then had to move within the hotel on a few occasions. I can see that Ms R's concerns about where she would be living and whether she would be able to pay the accommodation would have caused her concern at various points during the claim. It's my understanding that Ms R was also concerned about the timing of payments for her pet living in kennels.

UKI also delayed making payment for the electricity costs, as it wanted to discuss internally whether it could deduct payments from a government scheme. Ultimately, it decided it couldn't do so. I think this also negatively impacted Ms R and affected the amount of money available to her at what was already a difficult time.

Ms R was also concerned about the quality of some of the repairs to her home and that UKI's contractors caused extra damage. I'm aware Ms R thought the contractors were careless with her home and her possessions and didn't always secure the property properly. I can understand that this would have added to Ms R's concerns about the claim and the way it was being dealt with.

So, I've thought about compensation. There will always be a certain amount of disruption and inconvenience with any insurance claim. It was also likely to take time for some of the work to be completed, even if there were no additional or avoidable delays. Ms R has said UKI should compensate her for items such as her mortgage payments. However, she would have had to pay these costs anyway, so I wouldn't expect an insurer to pay them. I also wouldn't expect compensation to be calculated on a per day basis, which Ms R referred to. Instead, I would normally consider the overall impact on the policyholder where something has gone wrong or a business has acted unfairly.

Ms R has described the impact on her and her wellbeing because of how the claim was handled and the uncertainty she had about a number of aspects of the claim, including when work would start and finish, the poor communication, concerns about where she would be living and how she would pay for things like the alternative accommodation. Having thought about this, I think UKI should pay a total of £800 compensation to reflect the impact on Ms R.

I'm aware Ms R was also concerned about outstanding repair or snagging issues. If any work remains outstanding related to this claim, UKI should urgently review them and take the necessary steps to resolve them.

Putting things right

UKI should pay £800 compensation and urgently review any outstanding works in relation to the claim and take action to resolve them.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require UK Insurance Limited trading as Privilege Home Insurance to:

- Pay Ms R a total of £800 compensation.
- Urgently review any outstanding work in relation to this claim and take the action required to resolve them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 5 October 2023.

Louise O'Sullivan
Ombudsman