

The complaint

Mr B has complained about his let property insurer U K Insurance Limited (UKI) because he feels it has delayed his water damage claim.

What happened

Mr B had problems with the boiler and some pipe work in a flat he owns and lets out, resulting in a water leak. He made a claim to UKI. It was agreed that UKI would strip the property and dry it. As Mr B's then current tenants were due to leave the property in February 2023, it was agreed that work would start when they left. The property was stripped between the 13 – 15 February 2023. UKI agreed to reinstate it too and work to reinstate it began on 26 April 2023.

Mr B had been unhappy since February 2023 with how the claim was progressing. He told UKI he had expected the property to be reinstated within two weeks of strip-out starting. He said that, as of the beginning of March 2023 he had started to lose money because he hadn't been able to relet the flat with the work on-going. He asked UKI to cover his lost rent. UKI wouldn't agree to that, confirming so in a final response dated 4 May 2023. But it felt that the claim, during March and up to that date, had been delayed by around three weeks. It said it would pay £200 compensation. Mr B remained unhappy and complained to the Financial Ombudsman Service.

Our Investigator noted that Mr B could not show he had tenants lined up to move into the property as of 1 March 2023, or at all during the period up until 4 May 2023. He wasn't persuaded that UKI was responsible for any loss which might have occurred and noted that Mr B did not have loss of rent cover on his policy. He felt the £200 offered was fair and reasonable in the circumstances.

Mr B wasn't happy, particularly about the loss of rent, and he wasn't persuaded the compensation was sufficient. His complaint was referred to me for an Ombudsman's consideration. I noted that detail provided by UKI suggested it had caused around two months of delay on the claim between 13 February 2023 and 26 April 2023. I noted the worry and concern this had caused Mr B, given his income was being impacted whilst the property remained in its damaged state. I felt £500 compensation should be paid.

UKI agreed. Our Investigator let Mr B know of the increase. The complaint was returned to me for review.

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 appreciate that Mr B feels UKI is to blame for him not being able to rent the property as of 1 March 2023. However, I note that Mr B did not choose to be covered for loss of rent on his policy with UKI. I'm also mindful that a repair like this – involving stripping out, potentially drying, and then reinstatement which includes replacing kitchen units, would be unlikely to

ever complete that quickly. I know Mr B has reported that this is what he was led to believe – but I can't fault UKI for not keeping to that, it simply wasn't a reasonable timeframe. And Mr B has not shown that he had a definite tenant lined up to move in on 1 March 2023, who then walked away because the repairs were on-going. Or that he had any other tenants lined up to move in after 1 March 2023 and before the reinstatement works started in April 2023. So I'm not upholding Mr B's complaint regarding UKI's liability for him having lost rent.

However, I do think, all things considered, that the reinstatement phase of the work should have started before 26 April 2023 – around 1 March 2023. UKI knew this was a let property and that any delay would impact rent – any loss of which it was not covering. UKI also knew that drying needs were to be reviewed once strip out was done – so effective claims management would have ensured that the drying company were primed to return as soon as strip out was completed. With reinstatement being organised shortly thereafter. But that didn't happen here – it was a month after the property was stripped-out before the drying company reattended and a further five weeks after that before reinstatement began.

As I noted above, a reinstatement programme like this would always have taken some time, with obtaining kitchen units often taking a number of weeks. So it seems unlikely that work would have completed before the date of UKI's final response on 4 May 2023, even if it had started when I think it should have done on 1 March 2023. But Mr B would likely have been less worried during that period if he had seen work was progressing. As it was, he was without rental income and, until mid-April at least, seeing no signs of work progressing. I'm satisfied that was extremely frustrating and worrying for him. In the circumstances here I do think a total of £500 compensation is due. UKI has offered £200 previously, but this has not been paid. If Mr B accepts my final decision, it will now have to pay him £500.

Putting things right

I require UKI to pay Mr B £500 compensation.

My final decision

I uphold this complaint. I require U K Insurance Limited to pay the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 November 2023.

Fiona Robinson

Ombudsman