

The complaint

Mrs J complains about the way UIA (Insurance) Limited has handled a claim under her home insurance policy.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

In October 2022, Mrs J made a claim under her home insurance policy for subsidence. UIA accepted the claim, and a site investigation was carried out in December 2022. The results showed that a nearby tree owned by the local authority was the likely cause.

In March 2023, UIA instructed its claims handlers to carry out a period of level monitoring. But when Mrs J didn't hear anything, she raised a complaint.

UIA's claims handlers issued a response to Mrs J's complaint in August 2023. They accepted there'd been a lack of progression and communication and they awarded £350 compensation to put things right. They subsequently arranged the level monitoring.

Mrs J remained unhappy, so she brought her complaint to our service. Our Investigator acknowledged there'd been failings in the way the claim had been handled but she was satisfied the offer of compensation was enough to resolve the complaint.

Mrs J didn't agree. She says she didn't receive any compensation and the claim still hasn't progressed. She says UIA didn't inform her that it was passing her claim to its claims handlers, and they haven't adhered to her communication preferences.

The complaint has been passed to me to decide. To be clear, I'm only looking into what's happened up until UIA's final response addressing this complaint dated 10 August 2023. If Mrs J is unhappy with anything which has happened since that date, she'll need to raise a new complaint to UIA in the first instance.

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'd like to reassure Mrs J that whilst I may have condensed what she's told us in far less detail and in my own words, I've read and considered all her submissions. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail she'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim.

It's not in dispute that UIA hasn't handled this claim promptly nor has it kept Mrs J informed about the claim's progress. There are several months where no action appears to have been taken and Mrs J's requests for updates have been unanswered. This is an unacceptable level of service and puts UIA in breach of its obligations under ICOBS.

UIA accept there has been failings, for which it's apologised and offered £350 compensation. I need to decide whether this is enough to put things right.

Compensation isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on its customer. So when deciding what amount would be fair, I need to consider how Mrs J was affected by UIA's actions – or inactions as the case is here.

Mrs J's property is subsiding as a result of a nearby tree owned by the local authority. It's common for a local authority to require level monitoring results to show the tree is causing subsidence before they will agree to remove or maintain the tree. It can take a long time to gather the monitoring information, so it's important to begin the process promptly. UIA could've started this process in early 2023, but it hadn't done so by August 2023.

This means Mrs J will have to wait longer for the repairs to be carried out to the damage in her home. I've no doubt Mrs J will be distressed by this damage and the risk of ongoing damage that could occur before the problem is resolved.

Furthermore, Mrs J has been caused the inconvenience of continuously having to chase UIA and subsequently having to raise a complaint in order to get her claim moving.

For the ten months of distress and inconvenience Mrs J has suffered, I'm satisfied £350 compensation is fair. UIA has advised that payment has now been made by bank transfer.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 9 September 2024.

Sheryl Sibley
Ombudsman