

## **The complaint**

Mr C complains in his capacity as director of a limited company, which I'll refer to as "P" about the way U K Insurance Limited (trading as NIG) ("UKI") has handled a claim made under P's property owner's insurance policy.

## **What happened**

In 2021 Mr C made a claim for some drain work required at his property. In 2023, he had ongoing problems with the drains and so he paid for an independent company to carry out a drain survey.

Following the survey, Mr C had concerns that the work from the original claim had not been completed to the expected standard. He said he had raised these concerns previously whilst the work was being carried out – and now there was an infestation of rats at the property. So he got in touch with his insurance broker. A loss adjuster was sent out and said Mr C would need to lodge a complaint against the new claim the insurance company had set up.

Mr C raised a complaint, disputing that a new claim should have been set up as the work from the original claim was not adequate. He said he should be reimbursed for the drain survey he arranged and also reimbursed for the repair work he'd paid for. He also said the new claim that was set up should be cancelled and no additional excess charged.

UKI says that following its investigations, it found that the current issues were unrelated to the previous claim, and it therefore didn't uphold Mr C's complaint. Because Mr C didn't agree with UKI's response, he referred the complaint to this service.

Our Investigator considered the matter and didn't think UKI had acted fairly. As UKI disagreed with our Investigator's conclusions, the complaint has now been passed to me to decide.

## **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 don't consider UKI to have acted fairly and I'm upholding this complaint. I'll explain why.

Once Mr C made a claim on his landlord policy, the claim was accepted and UKI's contractors attended and dealt with the claim, carrying out a blockages survey and producing a report that identified issues with some of the pipes. Mr C says he raised concerns at the time about the way the claim was handled by the contractors. I can see from the claim notes that Mr C did raise concerns, including that he didn't believe the contractors had checked all the drains they should've.

The contractors attended again to carry out a further survey and check the pipework. But I've noted from the information provided, that they didn't investigate one of the areas that rats

could've been entering from, which I'll refer to as "line 9". I'm persuaded that UKI's contractors should've checked that area of the drainage system. This is because when Mr C found that there were rats entering the property, he had a professional investigation carried out and this showed that one of the areas it was likely the rats were entering through was line 9 – the same area that had been assessed previously by UKI's contractors, but had not been properly capped according to Mr C's professional survey.

Whilst UKI at one point agreed to carry out the capping, it only agreed to do so as a new claim. I'm not satisfied that this was a fair offer, because I think had the first claim been dealt with properly, and the issues with line 9 identified in 2021, there wouldn't have been a need for a further survey, a second claim and a second excess.

I say this because the contractors sent Mr C's broker an email in April 2021 saying that line 9 hadn't been scoped and they would reattend to do so. They said they would *"need to reinvestigate this line as this has been missed when the footage has been reviewed internally"*. They went on to say that they *"would then return to the site to complete the originally proposed works and also the additional works to line 9 required"*. The contractors attended in June to complete the more thorough survey but still failed to investigate the area they initially said they would. This is reflected in the maps provided by the contractor, which show that the areas inspected by UKI's contractors did not include some areas that were inspected by Mr C's appointed professional.

So I can understand why Mr C doesn't feel that the initial work had been carried out properly which directly contributed to the problems he had with rodents entering the property in 2023. And I can also appreciate why he believed the contractors would've checked more areas of pipework when they reattended, and why a second excess shouldn't be payable.

UKI says that its contractor was appointed as a drainage specialist, to identify and repair damage that fell under the accidental damage part of the policy. And that this didn't include rodent entry. It also says that whilst it recommended the area where the rats likely entered from to be surveyed again, Mr C didn't respond to this recommendation. UKI says whilst it should've clarified this point with Mr C, its contractors carried out the surveys diligently and that there's no evidence that the works Mr C arranged to have carried out at the property were required as a consequence of an insured event.

But UKI hasn't been able to show that the damage wasn't as a result of an insured event, such as the ground shift which caused the initial damage. We know from the original loss adjusters that the ground shift could have had an impact on the relevant pipes, but the evidence isn't available to confirm this because Mr C had the repairs carried out to protect the property, following UKI's failure to carry them out.

Mr C's appointed professional confirmed following its investigations that there was poor capping to the end of the pipe and also a hole detected within the pipe. The survey identified two potential rodent entry points, and I don't consider UKI's position to be fair when it says that the damage to line 9 wasn't as a result of an insurable event and that it needs conclusive proof of this. Mr C's survey confirms there is damage, to an area which UKI's contractor accepted it hadn't properly scoped in 2021, so I think it's probable that the damage was caused by the same insurable event that occurred in 2021 and just wasn't dealt with fully at the time.

So, for the reasons given above, I'm upholding this complaint and will required UKI to put things right for Mr C as specified below.

## **Putting things right**

U K Insurance Limited (trading as NIG) must now:

- Reimburse Mr C for the cost of his independent professional survey, which was £544.80.
- Add to this figure 8% simple interest per annum from the date Mr C paid the invoice (which was 16 May 2023) until the date of settlement.
- Reimburse Mr C for the cost of the repair work he had carried out in 2023, which was £1,140.
- Add to this figure 8% simple interest per annum from the date Mr C paid the invoice (which was 15 September 2023) until the date of settlement.
- Not apply any further excesses for the matters dealt with in this decision and ensure that only one claim (dated 2021) is recorded.

## **My final decision**

My final decision is that I uphold this complaint and I direct U K Insurance Limited (trading as NIG) to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 25 July 2024.

Ifrah Malik  
**Ombudsman**