

The complaint

Mrs C complains about the way UK Insurance Limited trading as Privilege (UKI) handled a claim she made under her home insurance policy.

There were a number of agents acting on behalf of UKI throughout this claim. But, for ease, I'll refer to UKI unless otherwise specified.

What happened

Mrs C had a home insurance policy with UKI. In May 2022 there was a fire at her property that affected every room. She made a claim on her insurance policy the same day and UKI instructed several agents to contact Mrs C to start the process of clearing and repairing her home. It also instructed a company (company A) to source alternative accommodation for Mrs C while the work was progressing.

It took nearly six weeks for company A to secure alternative accommodation for Mrs C. It took nearly eight months for UKI to clear the property of its contents. There were then delays in repairing the property. Mrs C complained about these delays, as well as the service provided by company A and the other agents involved.

UKI said Mrs C's claim was large and complex in nature and there had been several challenges with its management. It accepted that company A's communication with Mrs C could have been better and it gave her £250 compensation for the distress and inconvenience caused. It said there were a number of reasons why it took so long to remove the contents from the property and to complete the repairs. But it felt as though it had treated Mrs C fairly and done as much as it could to move the claim forward. UKI acknowledged though that communication between Mrs C and some of its agents had broken down at times and that had delayed progress. It offered to pay Mrs C £300 for the impact on her of those delays.

Our investigator thought UKI had dealt with matters efficiently and taken steps to help the claim journey run smoothly. She noted there had been some issues with communication. But thought UKI's offer of a further £300 was a fair way of putting things right in the circumstances.

As Mrs C didn't agree, her complaint has been passed to me to make a final decision.

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.

As with any complaint about events that cover a long period of time, there's a lot of issues to consider here. I won't refer to every aspect of Mrs C complaint and instead will focus on the main issues she's raised. Those are mainly based on the delays she's experienced and the service that's been provided by the various contractors working on behalf of UKI.

Unfortunately for policy holders, this sort of claim is always likely to cause a great deal of distress and inconvenience, particularly when alternative accommodation is needed and personal items have been damaged. The need to appoint agents, assess the damage, clear the contents from the property and then start work on repairing it will inevitably take time. Insurers will need to balance the needs of the policy holder with their objectives of repairing the damage as quickly as possible. Having considered the evidence in this case, I think UKI got that balance about right. Let me explain why.

It took about six weeks for UKI to find alternative accommodation for Mrs C. Company A said it was a difficult rental market at the time and some landlords refused to accept Mrs C's pets. There were also differences of opinion between Mrs C and company A about their respective responsibilities. UKI accept the communication between company A and Mrs C could have been better and noted that it hadn't offered two properties to Mrs C it should have done. It paid Mrs C £250 for that poor service and I think that's fair and reasonable in the circumstances. UKI also agreed to pay £300 more per month than was originally advertised in order to secure the rental property for Mrs C. The landlord was concerned by the potential damage caused by Mrs C's pets and I think this was a fair and pragmatic way of moving her into alternative accommodation sooner than would otherwise have been the case.

The evidence also suggests that UKI took steps to speed up the process of removing the contents of Mrs C's property when things reached a deadlock. UKI said each room in the property was full from floor to ceiling in contents when the incident happened. UKI wanted to remove the contents as quickly as possible so it could start repairing the property. While Mrs C understandably wanted to look through the contents to check what could be saved and what could not. This led to a breakdown in communication between Mrs C and UKI's agents. UKI responded to this by removing one of the agents and replacing them with another, by paying for a customer care manager to be on site to help Mrs C sort through the contents, and by having regular meetings and conversations with her to move things along.

Once the property was cleared of contents, UKI arranged for the repairs to begin. They were initially scheduled to take between 26 and 28 weeks but, in the event, they took much longer. UKI said this was partly due to damage to the chimney breast that hadn't been identified earlier and required further work. UKI said this extended the schedule by another eight weeks and was unforeseeable. I haven't seen any evidence to dispute that. There were also discussions and disagreements about a range of things, such as the materials being used to repair the kitchen and bathroom, the quality of the repairs and whether or not Mrs C should be able to visit the site. That is not unusual in projects of this nature and I can see that UKI took action to resolve those issues as they arose.

Mrs C doesn't think UKI did enough to make sure it kept to the schedule, while UKI thought it had done all it could to move the claim forward and felt it had treated her fairly. There were certainly times when there was a breakdown in communication between Mrs C and UKI's agents. On balance though, I think UKI reacted positively when things got difficult and worked with Mrs C to get things back on track. There's no doubt there were delays in progressing her claim but I'm satisfied, for the most part anyway, that those delays were unavoidable. UKI offered to pay Mrs C £300 to compensate her for the impact of the avoidable delays and I'm satisfied this is a fair and reasonable way of putting things right. So, I don't think it needs to do anything more than that.

My final decision

UK Insurance Limited trading as Privilege has already made an offer to pay £300 to settle this complaint and I think this offer is fair in all the circumstances. So, my decision is that it should pay £300 to Mrs C unless it has done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 21 August 2024.

Richard Walker
Ombudsman