

The complaint

Miss R is unhappy with the service provided by U K Insurance Limited (UKI) following a claim made on her home insurance policy.

UKI is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. UKI has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to UKI includes the actions of any third party instructed by UKI during the course of Miss R's claim.

What happened

In December 2022 Miss R contacted UKI to make a claim following an escape of water causing damage to parts of her property. Miss R's claim was passed to company S to manage on behalf of UKI.

From January- June 2023 UKI arranged for a site inspection to take place, drying out of Miss R's property, and preparation of the schedule of works for repairs to start. Miss R complained to UKI about the continual delays, and lack of updates.

During the initial site inspection company S found evidence of potential asbestos. Because of this, repair work was delayed. In April 2023 UKI offered Miss R £200 in recognition of the poor service identified in the handling of her claim.

Miss R remained dissatisfied and raised a further complaint about the lack of progress of her claim. UKI wrote to Miss R saying that her claim should've been better managed. Miss R was offered £500 in recognition of what had happened, and the impact on her.

Miss R remained concerned that her complaint hadn't been properly answered by UKI, and brought her complaint to this service for investigation. Miss R highlighted the impact on her well-being and mental health as a result of the lack of clarification from UKI about when her claim would be resolved, and what it was doing to settle it efficiently.

In September 2023 Miss R raised a further complaint about how her belongings had been removed from the hotel she was staying in, without her consent. In recognition of the upset caused, UKI offered Miss R £50.

During our investigation, as part of UKI's offer to put things right, UKI said it would pay Miss R an additional £250 in recognition of the upset and inconvenience caused to Miss R because of the poor handling of her claim, and impact on Miss R during this time. The investigator found that the service provided by UKI had been poor. The investigator recommended UKI increase its offer to put things right by an additional £250- bringing total compensation offered from the start of Miss R's claim to £1,250. UKI accepted the investigator's findings. Miss R didn't accept the investigator's findings, highlighting the impact on her over several months, and lack of progress of her claim.

As the complaint couldn't be resolved it was passed to me for 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.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Customer service and delays on claim

It's evident that UKI failed to manage Miss R's claim properly. The dispute now relates to what UKI should do to put things right. I've focused my final decision on determining this part of Miss R's complaint

After making a claim in December 2022, the first site inspection arranged by company S indicated the presence of asbestos. Because of this, repair work couldn't start right away. Once asbestos was identified, UKI has said that it made the decision not to deal with the floor tiles. Later in the claim, these tiles needed to be removed. UKI has admitted that this part of Miss R's claim could've been better managed. Removal of asbestos didn't happen until June 2023- six months after the claim had been reported to UKI. I've considered the impact of this delay on the claim, and Miss R, when deciding on fair compensation.

I've seen that due to the extent of the damage, large parts of Miss R's property required remediation work. This included the kitchen area. It wasn't until some nine months into the claim, that Miss R was engaged in the process for choosing kitchen units. UKI could've done more to proactively manage Miss R's claim so that this information was provided much earlier in the claims process. UKI's failure to do this caused unnecessary frustration and upset to Miss R at a time that she was already feeling stressed with the continual delays with her claim. If Miss R been told about this sooner, she could've made the necessary arrangements to allow remediation work to start, and be completed sooner.

I've also seen that Miss R had to continually chase UKI for updates on her claim. She also expressed upset over having to stay in a hotel, and the impact that this had on her relationships with family and friends, and her health. As the business responsible for managing Miss R's claim, I think it could've done more to actively support Miss R, and ensure progression of her claim. There were parts of the claim that were poorly handled. Because of this, Miss R had to stay in hotels for longer than she'd planned for, and was caused additional stress as a result of being away from her own home over a prolonged period.

Beyond Economic Repair (BER) list

The beyond economic repair (BER) list was discussed with Miss R early in the claim, but it wasn't approved until around six months into the claim. I accept that the conclusion of a BER list can be a lengthy process, and one that involves both a business and consumer working collectively to finalise. But in this case, there were delays in finalising the BER list due to decisions on the overall claim (such as the presence of asbestos, impact on Miss R's items, and agreeing next steps). I do think there were parts of the claim where communication about the BER list, and next steps, could've been clearer. At times, Miss R was left chasing UKI for updates.

Alternative accommodation

Miss R has explained that the alternative accommodation properties she was offered didn't meet her needs because of the location being too far away from her place of work. I

understand a combination of Miss R experiencing difficulty in finding suitable alternative accommodation, and the lack of options provided by UKI, resulted in Miss R spending her time between hotels and staying with family. And I accept that this experience caused Miss R upset and stress.

But I'm also mindful that during this time Miss R's hotels costs were covered by her policy, and Miss R was in receipt of disturbance allowance to reflect the additional costs incurred as a result of being away from her own home. I've seen that these amounts varied from £10 a day to £15 a day during the course of the claim. Having considered these amounts, I'm satisfied these costs are fair and reasonable and in line with what this service would direct in the circumstances. Although stressful, claims like Miss R's often cause upset because of the very nature of what's happened.

I appreciate Miss R's complaint is more concerned with the lack of support given by UKI in finding more long- term accommodation (like a service apartment) to suit her needs. But given what Miss R has also explained about her own difficulties in doing this, and the hotel meeting her needs with being close to her place of work, I'm persuaded that the option of staying in a hotel (although not ideal) was overall suitable for Miss R's needs and circumstances at the time.

I've also carefully considered Miss R's comments about the time spent in a hotel because of the delays on her claim. And I've considered the impact of this on Miss R as part of my overall direction for putting things right when thinking about the avoidable delays caused by UKI during the course of Miss R's claim.

Changing hotel rooms

Miss R says her belongings were removed from the hotel room she was staying in, without her consent. UKI recognise that it had failed to communicate that the extension of Miss R's hotel stay meant she had to move to a different hotel room. UKI apologised for the upset caused to Miss R because of this poor communication. UKI also directed Miss R to contact the hotel directly with her concerns.

It's not disputed that UKI could've communicated more clearly with Miss R about changing hotel rooms, and what this would involve. I'm satisfied UKI's apology and explanation of this to Miss R was reasonable.

Outstanding issues (windows/ quality of repairs)

I note that during our investigation Miss R provided further information about concerns with repair work that's been completed. I've carefully considered Miss R's comments. And in doing so I'm mindful that the role of this service is not to function as claims mediators. Our role is to help settle complaints between consumers and businesses that provide financial services. We resolve disputes fairly and impartially, and have the power to put things right. When dealing with a complaint about an insurance claim that remains open and on-going at the time of being referred to this service, we limit the scope of our decision making to issues which a business has had the opportunity to answer first.

With this in mind, Miss R should raise any new issues with UKI to respond to first. Should Miss R's concerns remain unresolved, this would be the subject of a new complaint that would need to be raised with UKI to answer first.

Putting things right

Having considered what's happened, I think total compensation to £1,250 is fair for the poor handling of Miss R's claim, and impact on her. This amount reflects the avoidable delays, lack of clear communication, and impact on Miss R over several months as a result of chasing UKI, and not being able to enjoy living in her own home sooner. I'm satisfied this amount is in line with our approach to complaints of this type, and fairly reflects the upset and inconvenience caused to Miss R over a prolonged period.

My final decision

For the reasons set out above, I uphold this complaint.

U K Insurance Limited is directed to settle the complaint by paying Miss R compensation of £1,250 (if Miss R has already received any part of this compensation, U K Insurance Limited is directed to pay the outstanding amount only).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 17 July 2024.

Neeta Karelia
Ombudsman