

The complaint

Mrs L complains U K Insurance Limited handled her property insurance claim poorly.

Mrs L's been represented by her son for the claim and complaint – Mr L.

What happened

In July 2021 Mrs L claimed against her UKI home insurance policy. Her home had been damaged by an escape of water. UKI accepted the claim. It agreed to provide alternative accommodation (AA).

Mr L wasn't happy with UKI's handling of the claim – including delays to repairs, allocation of AA and its communication. He made various complaints to UKI. UKI issued complaint responses in August 2021, September 2021, December 2021, June 2022 and May 2023. UKI offered, across these responses, £5,400 compensation – including £4,000 in May 2023.

In September 2023, with the claim completed, but Mr L unsatisfied with how it had been managed by UKI and its responses to his complaints, he approached the Financial Ombudsman Service. He said the claim had unnecessarily, due to UKI's poor handling, lasted two years. He said that had resulted in him and Mrs L living in different AA properties, rather than their own home, for around 18 months. He explained, as a result, both had been severely affected financially and emotionally – with significant detriment to their mental and physical health.

To resolve the complaint Mr L would like UKI to cover existing and future financial losses resulting from UKI's actions across the full life of the claim – plus compensation for the impact on both him and his mother. He has estimated this to be £3,000,000 – including his loss of past and future earnings, pension contributions and compensation for the impact on his and Mrs L's health.

Our Investigator was of the opinion the compensation already offered by UKI was enough to recognise the impact of its errors on Mrs L. She said as Mr L wasn't a policyholder, at the time of the loss claimed for, she wasn't able to require UKI to compensate him. So she didn't recommend it pay anything more or do anything differently. Mr L didn't accept that outcome. He asked for ombudsman to consider the complaint. So it was passed to me.

Mr L's requested settlement includes losses he feels arise from UKI's handling of the claim from the very outset – including events covered by the earlier complaint responses. So I felt it necessary, before considering the merits of the complaint, to first establish what I can and can't consider as part of this complaint.

To do that I issued a jurisdiction decision. In it I explained this Service can't consider the part of the complaint covered by UKI's August 2021, September 2021, December 2021 and June 2022 responses. I said I will only be considering, in regard to Mr L's concerns, UKI's handling of the claim beyond its June 2022 response. I also said I won't be considering his concerns about the quality of some of UKI's repairs. That would need to be the subject of a separate complaint.

Finally I will not be considering the impact, including loss of earnings, distress or inconvenience, of UKI's actions on Mr L personally. While became a joint policyholder later, he wasn't one at the time of the loss. In summary as he wasn't a policyholder for the claim he's not an 'eligible complainant' as defined by our rules. So he's unable to bring his own complaint to this Service or be joined to Mrs L's as a complainant. Instead he is, for the purposes of this complaint, her representative. That means I can't make him an award of compensation or for financial loss.

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 this is an informal service I'm not going to respond here to every point or piece of evidence Mrs L and UKI have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

UKI clearly accepts, based on the content and compensation award of its May 2023 final response letter and its internal complaint notes, that it made numerous mistakes that had a significant impact on Mrs L over a prolonged period. As it accepts it provided a very poor service there would be little benefit to me going through each of Mr L's concerns to determine here exactly what it did get wrong. Instead I'll consider if its offer of £4,000 compensation is enough to recognise the impact of its mistakes on Mrs L.

I will summarise some of the poor service issues that are within the scope of this complaint. It includes unnecessary delays to repairs - causing Mrs L to have to stay in different places of AA for longer than should have been necessary, offering unsuitable AA, delaying return of items in storage and losing others including sentimental ones, delaying agreement and payment of a settlement and repeatedly providing poor communications. I note Mr L had to commit a significant amount of time and effort to resolve various problems caused UKI.

I've considered Mr L's belief that UKI's poor service is responsible for Mrs L developing a significant health condition. He feels moving her to multiple places of AA to be responsible. Mrs L's GP said her difficulties were masked at home with a good routine, with them being exacerbated by her living in multiple AA locations. However, I'm not persuaded by the medical evidence he's provided that UKI can be said to have been the cause of the condition. Neither can I reasonably say Mrs L will require a nursing home earlier than she otherwise would. There just isn't the medical evidence to support that.

But I accept UKI's mistakes resulted in her having to unnecessarily continue to live away from her home, in various locations, during the period considered in this complaint. That may have played a part in, as the GP said, exacerbating a condition that already existed. In any event I'm satisfied that due to her condition, being in AA when she should have been at home, she experienced significant unnecessary distress and inconvenience.

I'm also persuaded Mrs L experienced distress and experiences as a result of the other failings by UKI – including those I've outlined above. Delayed return of, and loss of some, irreplaceable sentimental items in storage possessions will have been distressing.

I can see from Mr L's account and UKI's records that it was him who dealt with UKI's mismanagement of the claim – and to a certain extent shielded Mrs L from some of the resulting impact and inconvenience. I acknowledge this experience has had a significant impact on Mr L himself – including significant inconvenience and distress.

However, as I've said I can't award Mr L compensation or any financial loss for his personal experience. I can though consider any knock-on effect, of the impact on him, on Mrs L herself. So I've taken into account that witnessing the impact, of the poor claims handling, on her son likely caused her further distress.

In conclusion I'm persuaded UKI's poor service, as considered for this complaint, caused Mrs L sustained distress, severe disruption to her daily life and potentially affected her health over a significant period. But, whilst I accept this will be disappointing for both Mrs L and Mr L, I'm satisfied it has done enough already, by offering of £4,000, to compensate her for the distress and inconvenience she experienced as a result. So I'm not going to require it to pay Mrs L anything more or to do anything differently.

My final decision

For the reasons given above, I don't require U K Insurance Limited to pay any further compensation or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 5 December 2024.

Daniel Martin
Ombudsman