

The complaint

Mrs S complains about how U K Insurance Limited ("UKI") has handled a claim she made under her home insurance policy.

UKI is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As UKI has accepted it is accountable for the actions of the agents, in my decision, any reference to UKI includes the actions of the agents.

What happened

In May 2023, Mrs S made a claim under her home insurance policy with UKI after an escape of water caused damage to her property and contents.

UKI accepted Mrs S's claim and arranged for reinstatement works to be carried out. Mrs S raised a number of concerns about the handling of her claim. These included concerns about health and safety, inadequate communication, damage to her property and personal belongings, delays and failed visits from contractors.

UKI acknowledged that Mrs S's claims journey hadn't gone smoothly and said it was sending her £400 by bank transfer as an apology. It said it didn't believe there were any outstanding issues. It appreciated there was poor service from Mrs S's preferred contractor who was replacing the flooring, but they didn't represent UKI. It said it appreciated Mrs S's concerns about her business suffering reputational damage and financial loss, but it was unable to consider this under her domestic home insurance policy.

Mrs S remained unhappy and asked our service to consider her concerns.

UKI then offered to pay her a further £200 compensation, but Mrs S didn't think this was enough to put things right. She was also concerned that UKI hadn't responded to a complaint she'd raised about UKI's contractors damaging her wooden cabinet.

After our investigator got involved, UKI agreed to pay Mrs S £950 to cover the cost of replacing her cabinet.

Our investigator thought UKI's offer to increase its compensation award to a total of £600 and pay for the cabinet was reasonable. But Mrs S disagreed. So, her complaint has 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've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mrs S has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Mrs S I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise. In this decision, I will be considering matters complained of up until UKI's final response of 6 October 2023.

The relevant industry rules say an insurer should handle claims promptly and fairly.

I understand that the escape of water event caused damage to several rooms in Mrs S's house. Drying works needed to be completed and a schedule of works needed to be drawn up and approved before reinstatement works could be carried out. Mrs S also needed to provide her material choices before they could be ordered.

UKI has accepted responsibility for some delay in commencing the reinstatement work to Mrs S's property. It's also apologised for some poor communication. I can see UKI has taken responsibility for damage Mrs S says was caused by its contractors (for example to the light fittings) and has compensated Mrs S for this.

Mrs S says UKI's contractors ruined a cabinet by getting paint on it and cleaning it with chemicals which were not suitable for the type of wood it was made of. While it had disputed damaging Mrs S's cabinet, UKI has now agreed to pay her £950 so she can replace it. I think this is reasonable.

Mrs S has raised a number of concerns about health and safety. She was worried that the ceiling might collapse. She was concerned about tacks and nails being left after carpeting was removed and felt that damaged, uneven flooring was a trip hazard.

I appreciate Mrs S was worried about the condition of her home, particularly as she has a young grandchild. However, UKI has said that the ceiling wasn't unsafe, and I haven't seen any evidence to refute this. The tacks and nails appear to have been left after strip-out works were carried out. I understand UKI's contractors came and removed these after Mrs S made them aware of these issues. While it might not have resolved every potential safety hazard, I think UKI took appropriate steps to try to minimise these.

Mrs S says poor service from UKI, and its contractors has affected her business and reputation and caused her a loss of earnings. I understand Mrs S feels UKI is responsible for her losing a client because she cancelled an appointment as she was waiting for confirmation of the attendance of a contractor who didn't arrive. However, I haven't seen evidence to show that UKI is responsible for Mrs S incurring a financial loss. So, I can't award compensation for this.

I understand Mrs S has found this situation stressful and I'm sorry to learn that her mental health has been affected. But when thinking about a fair award for compensation, I need to separate the impact of the escape of water event itself from the additional distress and inconvenience Mrs S experienced as a result of any failings in UKI's service.

Even if the claim had been handled efficiently throughout, Mrs S would still have experienced inconvenience as part of the claims process. I can only award compensation for

distress and inconvenience UKI has caused which is over and above what we would usually expect from this type of claim.

UKI has offered to pay Mrs S a total of £600 for distress and inconvenience. This is in the range of what our service would expect a business to pay where its mistakes have caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. So, while I understand that my answer will be disappointing for Mrs S, I'm not persuaded to increase this.

Mrs S says she hasn't received the £400 compensation UKI awarded in its letter of 6 October 2023. UKI has provided a screenshot to show it issued a payment to go into Mrs S's bank account on around 10 October. Our investigator asked Mrs S to provide a copy of her bank statement so he could make further enquiries with UKI, but she hasn't supplied this. If this payment isn't showing on Mrs S's bank statement, I suggest she provide a copy of this to UKI so it can investigate this further. If it turns out that the £400 hasn't been paid to Mrs S, UKI will need to pay her £600. If it has been paid, UKI will only need to pay her £200 for distress and inconvenience.

Putting things right

UKI should pay Mrs S:

- £950 to replace the cabinet (if this has not already been paid) and
- A total of £600 (including the £400 it says it has already paid) for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mrs S's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 27 June 2024.

Anne Muscroft
Ombudsman