

The complaint

Mrs E and Mr E complain that UK Insurance Limited have provided poor service when dealing with their contents claim for damage due to a flood and not paid the value of items disposed of.

What happened

Mrs E and Mr E held buildings and contents insurance with UKI.

Their home was damaged by a storm on 26 November 2021 and water entered their home so they made a claim.

Mrs E and Mr E say that there were delays in dealing with the claim, and that in August 2022 they were made aware that UKI's contractors had disposed of some antique furniture that was supposed to have been retained and restored.

The contractors made a cash offer to replace the furniture which was £1200 plus £3500 for the distress caused by the disposal. Mrs E and Mr E were very unhappy with this as they said that the value of the furniture was around £20,000.

In October 2023, UKI offered £14400 which comprised £10400 for the furniture and £4000 for the distress and inconvenience caused.

Mrs E and Mr E were unhappy with this and so they brought their complaint to us.

One of our investigators looked into Mrs E and Mr E's complaint and she thought that UKI should pay an extra £9838, bringing the total up to £21404, but thought that the £4000 for distress and inconvenience was fair. She asked UKI to ensure that the £4000 compensation wasn't recorded on the claims and underwriting exchange.

UKI disagreed with our investigators view, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I have to decide whether UKI have acted fairly and reasonably, and properly applied the terms of the policy when dealing with the claim.

Having considered all the evidence, I'm upholding this complaint but with a different outcome to the investigator, and I will explain why.

The disposed of items

Mrs E and Mr E's contents were taken into storage by the contractor in December 2021, around 1 month after the flood. For various reasons, these contents weren't assessed until April 2022 when it came to light that some wet and dry items had been stored together, resulting in further damage. Some of the furniture was thought to be restorable, including a piano, a dining table and 6 chairs, and a Georgian butlers table.

Mrs E and Mr E were paid £1902 as part of the cash settlement to enable them to have these items French polished, and so they asked for the return of the items. It was then discovered that they had been erroneously disposed of, together with a dresser.

Mrs E and Mr E were extremely upset about this as the items were of great sentimental value.

The contractors asked Mrs E to send in quotes for replacement items, which she did - with a value of £21404. The contractors didn't reply, and after UKI chased them, they responded that they had valued the items through online auction sites and were making an offer of £1200 for the items, plus £3500 for the distress and inconvenience.

Mrs E rejected this offer.

UKI then intervened and made an offer of £10400 for the items, and a further £500 compensation from themselves, making the total compensation offer £4000.

I haven't seen any evidence from either the contractor, or from UKI which shows that Mrs E and Mr E's furniture can be replaced for either £1200, so I agree that this figure isn't fair. I note that the contractor has said that the policy only allows for like for like replacement, and that therefore Mrs E and Mr E shouldn't be entitled to the cost of new items. I don't think it's fair to strictly apply this as the items aren't being replaced as part of the indemnity because they are flood damaged, but because of the UKI's contractor's error.

So I've looked at the quotes provided by Mrs E and Mr E and thought about what a reasonable offer is for Mrs E and Mr E to replace their items with comparable ones.

I understand from Mrs E and Mr E that the table chairs and dresser were all part of a matching set in dark oak. I have only seen a picture of the dresser, but I understand the table to be an extending table with six dining chairs. Mrs E and Mr E have provided a quote from a local supplier for a range of oak furniture. The table and chairs are from a matching range, and the dresser is from the same manufacturer, but a different range and is in oak painted white.

In their response to us, UKI have shown that they have found the same table and chairs cheaper elsewhere, but from a supplier in the Netherlands who don't deliver to the UK. I don't think it's reasonable to use those figures in a settlement, so in the absence of any other evidence, I think that the local quote of £6465 that Mrs E and Mr E have had for the table and chairs is a fair one. However, I'm not satisfied that the quote of £9690 they have provided for the dresser is fair and reasonable. It isn't part of the same matching range and I note that Mrs E and Mr E have quoted the top price in the brochure which includes inbuilt wine racks and a choice of paint colour. The previous dresser had neither of these things.

UKI have suggested a similar dresser from the same manufacturer - the Suffolk - is more comparable, and I can see the manufacturer's list price for this is £5350. I'm satisfied that this is a fair sum that will allow Mrs E and Mr E to source a replacement dresser. If they wish to purchase the upgraded version they have quoted for, they can use the cash settlement to put towards it, but my role is to put them back in the position they would have been in had the error not happened, and I think the sum suggested fairly does that.

I haven't seen evidence of the make or condition of the piano that needs to be replaced, and the only photograph I have seen is of the back of it. Mrs E and Mr E have quoted £3999 from a local piano shop, but UKI have quoted £3399 for what they say is a comparable piano from the same shop. Unfortunately the shop has since closed down and so neither is now

available. I have looked at similar pianos quoted online, and I'm satisfied that a comparable piano can be sourced for the £3999 as quoted by Mrs E and Mr E, so I'm satisfied that this is a fair sum.

Again I have seen no photographs, evidence or details of the Georgian Butlers Table and its age and condition. Mrs E and Mr E have quoted £1250 for a like for like replacement from two websites, but UKI have found similar available from a different website for £500, plus delivery of £243.98. The items quoted by Mrs E and Mr E are no longer available, but in a general search for Georgian Butlers tables I have been able to find a number of items available for the price range suggested by UKI, and so I'm satisfied that this is a fair offer for a replacement in the absence of any specific evidence about the item being replaced. And so in total, I think that £16557.98 is a fair sum in total for replacement of the items disposed of.

Poor service

Mrs E and Mr E have been caused a great deal of inconvenience and distress by the disposal of their furniture which had both financial and sentimental value. I don't think that UKI's contractors acted with care in dealing with Mrs E and Mr E and they were careless with their possessions.

That said, the contractors have offered £3500 for distress and inconvenience, which UKI have increased to £4000, and I think this is a fair offer, and reflects the additional impact on Mrs E and Mr E of the worry caused by the uncertainty of what was happening to their furniture, and the unexpected inconvenience of having to source additional new items. Mrs E and Mr E have asked that the full value of the settlement isn't recorded on the claims and underwriting exchange because it includes the value of the replacement items. I've considered the evidence and I'm not convinced that the items would have been successfully restored, and in any event, insurers have a duty to record accurately the settlement paid in respect of claims, including any additional corrective work that may be needed. And so I think it's fair to record the value of the settlement, but not the payment for distress and inconvenience.

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.

UKI haven't replied to my decision, but Mrs E and Mr E have. They have provided me with some annotated photographs of the furniture that was disposed of. The photographs show the piano, the butlers table, the extending dining table and the six chairs, two of which are carver chairs.

As I have already proposed that Mrs E and Mr E should receive the value they have asked for in respect of the table and chairs and the piano, I haven't reconsidered these in the light of the photographs. I have considered the butlers table, but the photograph hasn't changed my view that there are several similar items available online for the sum offered by UKI, and so I'm satisfied that this can be replaced for the offer made. There are no further photographs or information provided about the dresser, and so I haven't changed my view in respect of the settlement suggested by UKI for a replacement dresser.

I appreciate that Mrs E and Mr E are still very upset about their items being disposed of, especially as they wanted to restore them, but I'm satisfied that the figures below will allow them to replace those items and put them back in the position they would have been in if the items hadn't been disposed of, and that is what is required here.

Putting things right

In order to put things right, I think that UKI should:

- Pay Mrs E and Mr E a total of £16557.98 to replace their furniture - deducting the sums of £10400 and £1902 already paid for replacement and restoration.
- Pay 8% interest on the above sum that is paid from the date the £10400 was paid until the date settlement is made.
- Ensure that the record on CUE doesn't include the £4000 already paid for compensation

My final decision

My final decision is that I'm upholding Mrs E and Mr E's complaint and directing U K Insurance Limited to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 6 February 2025.

Joanne Ward
Ombudsman