

The complaint

Ms C and Mr S complain about U K Insurance Limited (trading as NIG)'s handling of their buildings insurance claim.

I shall refer to U K Insurance Limited to as "UKI" below.

All references to UKI also include its appointed agents.

What happened

What my findings cover

I understand there are several issues Ms C and Mr S have raised in relation to this claim. While I will attempt to finalise matters as much as possible for all parties, my findings only cover events raised as part of this complaint and up to UKI's final response in March 2023.

Below is intended to be a summary of what happened and the key events that lead to this complaint. It does not therefore include a full timeline or list every point that has been made.

- Ms C and Mr S made a claim for an escape of water at their property in February 2023. The escape of water had caused damage, including collapse of the ceiling, to their bathroom.
- Ms C and Mr S moved into Alternative Accommodation ("AA") in March 2023. Works were required to strip and dry the property over the coming months.
- Initially Ms C and Mr S were in hotel accommodation. However drying works were required to continue, and Ms C and Mr S contacted UKI in early June 2023 as remaining in hotel accommodation was becoming unsustainable. Ms C and Mr S had found accommodation which they subsequently moved into – and of which UKI provided costs.
- Drying works were confirmed to be complete in June 2023. However, reinstatement works didn't begin until around October 2023.
- Shortly before works were estimated to finish, around mid-November 2023 UKI's contractors informed Ms C and Mr S that a stop cock at the property was broken.
- Because of this it said it couldn't switch off the water supply to complete reinstatement works. It said this would need to be fixed before works could continue.
- This issue wasn't covered under the claim; however, the contractors reached an agreement with Ms C and Mr S for the work to be completed by them.
- During this period, Ms C and Mr S raised issues with UKI regarding its contractors – in particular issues with the state of the property and the due care taken despite works being confined to one room of the property. UKI agreed to meet costs for the property to be cleaned once works were complete.
- Works were completed to reinstate the bathroom in December 2023 and Ms C and Mr S moved back into their property. On returning to the property Ms C and Mr S began to experience issues with blockages to their toilet and water flooding up from the floor into their bathroom.
- Ms C and Mr S made an emergency call out to a plumber in January 2023. The

plumber reported they cleared the blockage but highlighted the issues had been caused by poor installation of the toilet. They noted an inspection of the manhole showed the water from the sink was running through it, but not the toilet. They said the toilet hadn't been connected correctly.

- Ms C and Mr S also raised issues with hot water in the property and issues with the electrics. Ms C and Mr S said they were unable to use the bathroom and had to vacate the property and stay with friends. UKI agreed to provide AA at the end of January 2024 for an initial period whilst it investigated the issues raised, but said it was unable to authorise any further AA costs until the independent surveyor had attended and established the cause of the issues.
- An independent surveyor attended the property around two weeks later to inspect the bathroom. They concluded the issues with the flooding had arisen due to poor installation from UKI's contractor.
Ms C and Mr S requested UKI appoint a new contractor, but UKI didn't agree to this.
- Ms C and Mr S raised a formal complaint about the handling of the claim around January 2023.
- UKI provided its final response letter to the complaint in March 2023. It acknowledged there had been issues with service it had provided to Ms C and Mr S.
- In recognition of this it offered Ms C and Mr S £1,000 compensation.
- Ms C and Mr S were unhappy with UKI's response and so they brought their complaint to our service.

Our investigator's view

Our investigator recommended Ms C and Mr S's complaint be upheld. He said there had been unnecessary delays caused by UKI in its handling of the complaint, but didn't feel UKI's offer of compensation fairly recognised the distress and inconvenience its actions had caused Ms C and Mr S. He recommended UKI increase its compensation offer to £1,500. UKI accepted our investigator's view of the complaint.

Ms C and Mr S didn't agree with our investigator's view and asked for an ombudsman to consider the matter. In doing so they've provided further submissions for me to consider which sets out their complaint in more detail including the issues UKI caused during the claim and the distress, inconvenience, and loss they suffered as a result.

I've summarised these below. I appreciate it will be set out in less detail than what Ms C and Mr S have provided. However, I can confirm I've read and considered all of their submissions carefully.

- Issues with AA including AA not being renewed for periods longer than two weeks throughout the claim and having to repeatedly chase UKI to rebook accommodation. Ms C and Mr S said this often led to accommodation being booked up meaning they had to keep moving from hotel to hotel.
- Ms C and Mr S then had to move out of their property again when further issues arose in January 2024. UKI refused to confirm AA costs would be met meaning they had to remain in their property, without a working toilet or hot water for over a month or move between staying at friend's properties.
- Ms C and Mr S said UKI met costs for breakfast whilst staying at the hotel, however it hadn't paid for the costs for preparing lunches or for evening meals.
- Ms C and Mr S had to source self-catering accommodation for themselves, which often took hours of their time and meant having to make payments on credit cards to make bookings while waiting for UKI to reimburse payments.

- Poor communication between UKI, its loss adjusters and its appointed contractors.
- Ms C and Mr S said they had to continually chase for progress updates for the claim and for details around works.
- Ms C and Mr S have highlighted several issues with UKI's appointed contractors.

This includes:

- The issue with the inadequately reinstated toilet and the costs Ms C and Mr S incurred for an emergency plumber.
- Ceiling electrics had to be rewired after the bathroom ceiling had been reinstated as it hadn't been wired correctly. This was eventually rectified but there was a dispute with the proposed remedy to this that took over a month to resolve.
- Ms C and Mr S also highlighted further issues with works carried in the bathroom such as poor grouting and extractor fans fitted incorrectly.
- An incorrect window, which isn't 'like for like' being installed.
- During the reinstallation of the bathroom, the contractor informed Ms C and Mr S a vanity unit they purchased didn't fit. However, it had thrown the boxing away, meaning Ms C and Mr S have been unable to obtain a refund. They said the contractor had agreed to reimburse them for these costs but had so far failed to do so.
- After the contractor had carried out works to repair the stop cock, and Ms C and Mr S returned to the property, they had no hot water and continued to experience issues with the thermal store, including issues with the electrics and fuse blowing in the thermal store when they returned to the property. Ms C and Mr S said they had to instruct contractors to come and repair the issues to the thermal store and electrics in March 2024.

My provisional decision

I issued a provisional decision on 10 October 2024. In my provisional findings, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

Ms C and Mr S have provided detailed submissions in bringing their complaint and I understand they feel very strongly about what's happened. Whilst I don't intend to respond in similar detail, I can assure them I have read all their correspondence and taken it into account when making my decision.

If I don't mention any 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 meant as a as a discourtesy, it is just a reflection of the informal nature of our service. Having done so, I'm intending to uphold Ms C and Mr S's complaint. I'll explain why.

Alternative Accommodation

I can see Ms C and Mr S were initially placed in alternative accommodation in March 2023. Between March and June 2023 drying and stripping works were taking place at the property. UKI reported in June 2023 further drying work was needed as testing was still showing moisture one of the walls. At this time, it was also noted that Ms C and Mr S had moved into different accommodation as staying in hotels was no longer sustainable – and had been arranged by Ms C and Mr S for around a month. I'm pleased to see UKI agreed to this, but I think reasonably it could've sought to have moved Ms C and Mr S out of hotel

accommodation earlier. It was aware its initial report of the damage at the property that stripping out and drying work was required – which was likely to take some time. So I think it could've acted sooner.

Drying works were confirmed complete at the end of June 2023. As reinstatement works still needed to be carried out, I think UKI could have been more proactive in extending or facilitating further AA for Ms C and Mr S. I can see between July and September 2023 there were several emails internally between UKI's appointed agents regarding Ms C and Mr S chasing AA to be renewed and for payments to be made to them for AA.

Regarding the issue with AA in January 2024. Ms C and Mr S were reporting water coming up through the floor and blockages in the toilet and had provided evidence from a contractor identifying poor installation to be the issue. While I understand UKI would have wanted to verify this to confirm its own liability, I think it had enough information to arrange AA for Ms C and Mr S until the surveyor attended - and when it did attend, it was established the issues were caused by poor installation by UKI's contractors.

While I can see UKI arranged AA in February 2024, and Ms C and Mr S were away for a period in January 2024, I think again it could've done more.

From the information I have available, it appears Ms C and Mr S were staying in hotels for extended periods while they were in AA. They've said they were having to pay for meals as they didn't have access to cooking facilities. While this isn't specified in the policy, I think it is reasonable in circumstances where cooking facilities aren't provided an allowance is provided for meal costs. I think £10 a day is reasonable.

Ms C and Mr S have also raised costs of travelling between AA as they had to keep changing hotels, often on short notice. They've said their transport costs for moving between AA during the claim was around £84.13. I think it's more likely than not Ms C and Mr S would have incurred travel costs moving between accommodation and this amount incurred over a period of around a year doesn't seem unreasonable. So, I think UKI should pay this cost. I think it would be overly burdensome on Ms C and Mr S to request they provide strict proof of these costs. But if Ms C and Mr S can reasonably evidence them UKI should pay interest on these amounts in line with what I've set out below in 'putting things right'.

Delays and Service

UKI acknowledged it caused avoidable delays in its handling of the claim. I think between July to September restoration work could've been put in place quicker following drying works completing. I think Ms C and Mr S could've been reasonably been better kept informed throughout this too.

It's clear there have been issues between Ms C and Mr S and UKI's contractor and at the time of Ms C and Mr S making the complaint in January 2024, their relationship with the contractors had broken down. It was confirmed the toilet was incorrectly installed, which has led to Ms C and Mr S experiencing further inconvenience by going into AA again and for work to have to take place for rectification, which appears to have taken until March 2024 to be completed.

I can also understand why Ms C and Mr S would be upset with the cleanliness of the property. This is their home, so they'd expect it to be treated with respect. I acknowledge UKI agreed to pay for the property to be cleaned, which is reasonable in the circumstances, but I can understand Ms C and Mr S's frustration and why this contributed to their feelings regarding UKI's contractors.

Regarding the issue with the vanity unit, I can see this has been raised with UKI. The contractor has acknowledged they threw the box away. UKI should refund this cost, it can ask for proof of purchase should it require.

I also acknowledge there has been issues Ms C and Mr S raised regarding the thermal store following the work carried out on the stop cock. However, these works were not covered under the policy, and were works that were privately agreed between Ms C and Mr S, and the contractor. As such I cannot consider any reimbursement for the thermal store repairs. However, given the issues Ms C and Mr S raised about this, and UKI being aware, I think this should have further informed their consideration of a different contractor attending to rectify matters when the toilet installation issues arose.

Ms C and Mr S have mentioned a window installed that isn't like for like. I can't see this formed part of the original complaint, or that UKI have had a chance to respond regarding this. So, it should be given the opportunity to in the first instance, If Ms C and Mr S are dissatisfied with their response, they may consider bringing a further complaint to our service.

Considering everything I've set out above. I think there has been a significant and long-lasting impact on Ms C and Mr S. Claims of this nature are inconvenient and cause disruption however I've identified several issues which would have caused Ms C and Mr S significant distress and inconvenience. In the circumstances I think its reasonable UKI pay Ms C and Mr S £1,500 compensation as this fairly reflects the impact caused to them.

Putting things right

To put things, I intend to direct UKI to do the following:

- Pay Ms C and Mr S an allowance of £10 per day for each day they were in Alternative Accommodation without access to Kitchen/Cooking facilities. UKI are entitled to deduct any payments it has already made from the amount.*
- Pay Ms C and Mr S £84.13 to reflect the reasonable travel costs they incurred. If Ms C and Mr S can reasonably evidence the costs 8% simple interest should be applied to this amount from the day the payments were made to the date UKI refunds the money to Ms C and Mr S.*
- Reimburse Ms C and Mr S for the cost for the emergency plumber*
- 8% simple interest should be applied to this amount from the day the payment was made to the date UKI refunds the money to Ms C and Mr S.*
- Reimburse Ms C and Mr S for the cost of the vanity unit, UKI can request sufficient evidence such as a receipt or invoice should it require it.*
- Pay Ms C and Mr S £1,500 compensation."*

Responses to my provisional decision

Ms C and Mr S accepted my provisional findings. They did raise the following queries:

- Whether the £10 per day allowance was per person.
- Whether the 8% simple interest was for all payments to be made for UKI

Ms C and Mr S provided calculations of what they understood to be the amount UKI would reimburse and have asked me to confirm this total in my final decision.

In response to my provisional decision UKI said it agreed to pay the compensation of £1,500 to Ms C and Mr S. However, it has said the £10 per day allowance, taxi costs, cost for the

plumber and cost of vanity unit didn't form part of the original complaint – so feel this should be addressed under a separate complaint.

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 reconsidered all the available information along with all additional comments, but it doesn't change my decision – or my reasoning.

Calculation of the reimbursement would be for UKI to arrange. However, I will add that if Ms C and Mr S believe any settlement amount to be incorrect, they may be able to consider bringing a further complaint to our service should they be dissatisfied with UKI's response.

I however can confirm the £10 allowance is per person, per day and the 8% simple interest is to be applied to the payment for the emergency plumber.

I also note Ms C and Mr S have confirmed they have invoices for their taxi costs. So as set out in my provisional findings, UKI should also pay 8% simple interest on these costs too.

I'm satisfied the issues highlighted by UKI in response to my provisional findings form part of this complaint. Ms C and Mr S's complaint set out concerns about the overall handling of the claim, in particular the actions of its contractor, and alternative accommodation.

Ms C and Mr S incurred the charge for the emergency plumber due to the toilet being incorrectly installed. Something UKI confirmed. I can also see the issue with the vanity unit was discussed within internal correspondence between UKI and its appointed agents, following Ms C and Mr S raising this concern and prior to it issuing its final response. So, I think UKI have had the opportunity to consider this point.

So, I'm satisfied these issues reasonably form part of this complaint.

Having reviewed everything, I uphold Ms C and Mr S's complaint. I don't think UKI treated Ms C and Mr S fairly or reasonably in its handling of their buildings insurance claim.

Putting things right

To put things right, I direct UKI to:

- Pay Ms C and Mr S an allowance of £10 per day, per person, for each day they were in Alternative Accommodation without access to Kitchen/Cooking facilities. UKI are entitled to deduct any payments it has already made from the amount.
- Pay Ms C and Mr S £84.13 to reflect the reasonable travel costs they incurred.
- 8% simple interest should be applied to this amount from the day the payments were made to the date UKI refunds the money to Ms C and Mr S.
- Reimburse Ms C and Mr S for the cost of the emergency plumber
- 8% simple interest should be applied to this amount from the day the payment was made to the date UKI reimburses the money to Ms C and Mr S.
- Reimburse Ms C and Mr S for the cost of the vanity unit, UKI can request sufficient evidence such as a receipt or invoice should it require it.
- Pay Ms C and Mr S £1,500 compensation.

My final decision

My final decision is that I uphold Ms C and Mr S's complaint.

To put things right I direct U K Insurance Limited (trading as NIG) to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr S to accept or reject my decision before 15 November 2024.

Michael Baronti
Ombudsman