

The complaint

Miss M and Mrs M complain that U K Insurance Limited has failed to fairly settle a claim made on their contents insurance policy.

What happened

Although the policy is in joint names with Miss M and Mrs M, Mrs M has mainly dealt with UKI and the claim. So for ease of reference, I'll refer only to Mrs M throughout unless it is relevant to do otherwise.

Mrs M feels UKI has failed to correctly settle her contents claim after items were returned damaged from storage or lost. This was following their removal when the property suffered an escape of water. The buildings insurance is underwritten separately and UKI has not been responsible for the repair works to the property.

There are concerns about items and boxes being lost as well as them not being stored appropriately, leading to damage when in storage. And when UKI assessed the cost of these items and provided a settlement, it is lower than Mrs M feels it should be.

Mrs M has also complained that UKI's appointed agents caused damage to her property when they removed items that were beyond economical repair. And she feels she's received poor service during the claim and complaint process.

UKI increased its offer several times when this was disputed. Its final offer was made and a settlement paid to Mrs M for £33,607.78 after a complaint about the settlement amount was made. This was increased from around £29,500.00 previously offered.

UKI apologised for the settlement not being offered previously and paid £175 in recognition of this. But it felt the settlement now paid was correct and it represented its final offer.

UKI doesn't think it can be evidenced that its agent damaged Mrs M's flooring when her sofa was collected for disposal. It said this was collected in July 2022 and no mention of any damage being caused was made until January 2023. Based on this, it wasn't satisfied that the damage was its responsibility.

Our investigator looked at the complaint and didn't think UKI needed to do anything else. They felt the settlement paid for the contents items was fair. It was reflective of the list supplied by Mrs M and any items not included, were not recorded as being in storage originally or had been returned previously.

They didn't think UKI could be shown to have caused the damage to the flooring in Mrs M's house when the sofa was removed. And UKI had not had the opportunity to consider any complaint about the service provided during the claim process, so this needed to be raised with it in the first instance.

Mrs M responded to say that our investigator had not acknowledged that a "bit box" was missing when her items were returned from storage – this included all the bits needed to re-

assemble dismantled furniture. And UKI's appointed agent had admitted to Mrs M that items had been damaged due to improper storage. She also felt she shouldn't be held responsible if items hadn't been recorded when taken into storage and her sofa was an example of an item being settled unfairly as a 2-seater sofa when it was a 3-seater sofa.

Our investigator didn't think UKI had acted unfairly when it settled the items as it had. When items had been damaged beyond repair, it had offered a settlement based on what it believed a like for like cost of a replacement was for a similar item. It wasn't fair to expect it to offer more than this.

The missing items and bit box was something that had been settled by replacing any items that couldn't be reassembled because of the missing bits. So they felt this had been fairly settled and it wasn't fair to expect UKI to do anything else.

Mrs M maintained that UKI hasn't acted fairly and the complaint was referred for decision at her request.

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 decided not to uphold this complaint. I appreciate this will be disappointing for Mrs M, but I'll explain why I've made this decision.

It is clear, Mrs M has had an extremely difficult claim journey with the damage to her property and the escape of water. And some of these issues are continuing. The vast majority of the disruption is the result of the building work and timeframe for the repairs which is not something UKI is responsible for, but I recognise the difficult time Mrs M has faced.

I've focused on what UKI needed to do with this claim and Mrs M's contents claim. And whether I think it has acted fairly and reasonably with the settlement offered. The concerns Mrs M has about the service received during this claim process and her complaint with UKI, are not something I've considered here. UKI has explained it hasn't considered any complaint about the service it provided and it is right it looks at this first.

Mrs M's policy sets out that UKI will provide cover for any lost or damage possessions and choose whether to repair or replace the item or make a cash payment. UKI has not refused to offer a cash settlement for the items listed as being beyond economical repair. But has said it can only provide cover for items listed previously.

UKI didn't remove the contents from Mrs M's property when the escape of water claim was first raised. This was completed by the building insurer and their appointed agent and when questions have been raised about missing items, UKI has checked with the building underwriter to confirm what was removed and when. UKI did take ownership of the contents items when it was notified of the loss and its agents moved them to storage. But I can see why, with it not being involved from the very start, why questions have arisen.

UKI has taken the list of items Mrs M has provided which are said to be missing, or damaged on return. This included 239 items listed. It has agreed to settle the majority of these, with 59 items either being refused, or their value amended. The reason for the challenge on these is either because the items were previously recorded as undamaged, not listed previously, or they've already been cash settled with earlier payments.

I don't think UKI has acted unfairly in taking the approach it has with the items not paid or amended. It would not be fair for it to include items not previously listed, or to pay for items listed as undamaged. And items previously cash settled would not be paid for twice.

The inventory list signed on 1 February 2018 shows many of the items had some level of wear and tear or damage on them already when moved into storage. And I think this supports UKI's position that some items were not damaged on return.

There was some delay in UKI reaching the total settlement and I think it could have reached this sooner. But I have to acknowledge that it was asking Mrs M for a number of months to provide a list of everything she felt needed to be covered. And a number of boxes remained unopened once returned, meaning it was unable to know what was being claimed for and what wasn't.

UKI paid £175 to recognise the delay in making a fair settlement sooner and I think this is fair and reasonable.

I understand the concerns Mrs M has about her floor being damaged when she says UKI's agent removed her sofa without taking due care. I can see there is no reference of this until January 2023 and this is despite fairly regular contact with UKI as it was asking her questions about her contents and the list of these. The sofa was collected in July 2022 and with this difference in time, I am not persuaded UKI's agent was the cause of the damage.

I would have expected this concern to be raised immediately or very soon after the sofa was collected and the delay means I think it would be unfair to now ask UKI to consider this damage.

Our investigator has said a new complaint has been raised with UKI about the service provided by UKI to Mrs M during the claim process and this will be separate. As UKI hasn't had the chance to provide an answer, I cannot comment on this.

Overall, I acknowledge the difficult time Mrs M has had over the last few years with the work to her property. This has clearly been very upsetting with huge inconvenience, but I've not seen that UKI is responsible for this. It failed to provide a fair settlement for the contents items as quickly as it could have done and its recognised this. And I don't think it needs to do anything else now to put things right.

My final decision

For the reasons I've explained above, I don't uphold Miss M and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mrs M to accept or reject my decision before 20 March 2025.

Thomas Brissenden
Ombudsman