

## The complaint

Mr and Mrs H are unhappy with the way UK Insurance Limited [“UKI”] has handled a claim they’ve made under their buildings insurance policy following water damage to their property.

## What happened

Mrs H has brought this complaint on behalf of herself and her husband. References I make to her actions include those of her husband.

UKI is the underwriter of this policy, i.e. it’s the insurer. Part of this complaint concerns the actions of its agents for which UKI has accepted responsibility. Any reference to UKI includes the actions of its agents.

The background to this complaint is well known to the parties and has been comprehensively detailed by our Investigator already so I’ve only provided a brief summary here.

- I issued a final decision on a previous complaint in February 2024 directing UKI, amongst a number of other things, to correctly install a waterproof surface membrane (“WSM”) at Mrs H’s house following water damage.
- Prior to UKI carrying out this repair, Mrs H’s surveyor said the WSM showed signs of failure in other areas of the property which he believed was likely due to poor workmanship by UKI’s contractors. And Mrs H identified damage to areas of the kitchen which she said was caused by dampness in the property.
- UKI said it would need to investigate the cause of this before reinstalling the WSM as it wouldn’t want to carry out a repair that failed to resolve any potentially wider issues. It provided Mrs H with its proposals but she didn’t accept these and raised a complaint with this Service.
- Our Investigator said UKI’s proposed investigation into the cause of the damp was prudent and she noted UKI’s agreement to cover the cost of Mrs H’s surveyor attending the relevant inspection. She declined Mrs H’s request for UKI to appoint an alternative loss adjuster to manage the claim and to appoint a new technical specialist. Mrs H asked an Ombudsman to reach a decision.

## 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.

Mrs H has referenced a number of Financial Conduct Authority principles, rules and systems and controls in her response to the Investigator’s findings. While I haven’t referenced these specifically in my decision, I’ve taken account of relevant law, regulations, regulators’ rules and guidance and standards, relevant codes of practice and what I consider to be good industry practice.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed.

This decision focuses on the issues raised by Mrs H in her complaint to UKI in June 2024. I can't revisit previous complaint issues or those raised subsequently. Additionally, we can't review UKI's general business practices or the impact its actions have on a wider group of consumers.

#### *Damp inspection*

- UKI has made clear its intention to comply with the previous final decision and install the WSM in line with the manufacturer's instructions.
- For the reasons above I'm not going to readdress the matters considered within the previous decision or my direction. I have considered the more extensive damp problems identified by Mrs H and her surveyor - and in light of these I'm pleased to see UKI has recognised this damage and is seeking to remedy it.
- UKI's proposal to appoint a damp specialist to fully assess this wider damp problem I think is a sensible one in the circumstances - in line with the expectations of this Service for UKI to carry out a lasting and effective repair.

#### *The appointment of alternative damp specialists*

- Mrs H had concerns about the specialist initially appointed by UKI and asked it to appoint an alternative specialist. I can see UKI has now agreed to do this so it's provided what Mrs H requested. It follows, there's no need for me to comment on this further.

#### *Alternative loss adjusters and technical specialist*

- It's a commercial decision who UKI uses to handle a claim, so this isn't something we'd typically interfere with.
- That said, in individual cases, we may determine that a business should appoint a new agent or contractor in certain circumstances.
- I can see UKI declined the request for a new loss adjuster firm and new technical specialist to be appointed and on the face of it, this is a decision for UKI to make.
- But here I've also thought about whether there are any other circumstances that may mean that to not replace or change contractors would be unfair or unreasonable to Mrs H.
- In this situation Mrs H has raised a number of concerns about UKI's loss adjusters and technical expert and the way they have handled the claim and complaint. From the evidence it's clear to me in places there have been disagreements and concerns Mrs H has about these agents.
- For example, Mrs H was unhappy with the letter of instruction issued by the technical specialist regarding the attendance of her surveyor at a joint site inspection. She said this only mentioned her surveyor in the context of obtaining access to the property rather than his participation in the meeting.

- UKI has subsequently confirmed its agreement to cover the cost of Mrs H's surveyor attending the joint inspection with the damp specialist to act on Mrs H's behalf and represent her interests.
- Mrs H also wanted the damp specialist to provide a scope of works which should include the work detailed in my previous final decision.
- UKI has now clearly explained to Mrs H the extent of the work to be undertaken by the damp specialist. And it's confirmed that while the damp specialist will be able to provide some guidance on the extent of the rectification works required, Mrs H's surveyor could be appointed to prepare the detailed schedule of work.
- These seem like reasonable steps for UKI to take to move the claim forward and are seemingly in line with what Mrs H wanted.
- So while I acknowledge Mrs H's concerns, it seems to me UKI has done its best to address these and ensure her interests are represented by the ongoing involvement of her surveyor.
- Given what I've said above and the complexity and length of the claim, I think UKI's decision not to alter the loss adjuster and technical specialist at that stage was a reasonable one. I say this as I think to do so would ultimately draw out the claim further, rather than bringing it to a swifter conclusion.

#### *Conclusion*

- I realise Mrs H will likely be disappointed with my decision but I'm satisfied it's fair and reasonable for the reasons I've explained.
- For the remainder of this claim, I would remind UKI of its obligation to resolve claims promptly and fairly particularly given the acknowledged shortcomings in its claims handling so far.

#### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 18 July 2025.

Paul Phillips  
Ombudsman