

The complaint

Mr H has complained about the way U K Insurance Limited trading as Direct Line (UKI) handled a claim under his landlord insurance policy.

What happened

The history of this complaint is well known to the parties. So I have briefly summarised the key points below.

- Mr H bought a UKI landlord insurance policy. This included home emergency cover which was administered by a separate entity that I'll call "Company A".
- On 26 October 2023 Mr H made a claim for a water leak in the bathroom of the insured property.
- Mr H wasn't happy with the service he received from Company A. He ended up having to pay a plumber £160 to sort out the problem.
- He also wasn't happy with the service he received from UKI. He said he received conflicting information from its staff about Company A and its systems. UKI refused to intervene when he complained about poor service. He didn't think he should have had to deal with Company A as he'd paid his insurance premium to UKI. Also his insurance premium had increased because he'd made a claim despite the fact that Company A hadn't actually fixed the issue.
- Mr H has brought a separate complaint about the service he received from Company A which paid him £135 compensation and has since agreed to reimburse him for the plumber's fee.
- Our Investigator didn't uphold his complaint about UKI. He didn't think UKI had treated him unfairly.
- As Mr H didn't agree, the matter has been referred to me.

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.

In this decision I am only looking at the service Mr H received from UKI and not the claim issues with Company A which are the subject of a separate complaint. As our Investigator explained, I also won't look at the fact that Mr H's premium increased as a result of the claim. This is because I can't see that he has raised a complaint about this with UKI and received a final response from it regarding this issue.

It's important I explain that this service doesn't have the power to tell a financial business to change its processes or procedures. That's because we're not the industry regulator. My role is to look at individual complaints brought by eligible complainants to decide whether a financial business has treated them fairly and reasonably. And if not, whether it needs to take action to put things right.

I'll start by looking at the terms of the policy. Section 10 of Mr H's policy sets out what is covered for Landlord Emergency cover. It says:

“Claims under this Section are administered and managed by [Company A] on our behalf.”
So UKI is the insurer and liable under the policy but it has delegated the handling of home emergency claims to Company A as its agent.

It sets out how to make a claim as follows:

“Making a Landlord Emergency Claim *Once the Insured Person has checked that the emergency is an insured incident, it’s important [Company A] is told about it as soon as possible by ringing [Company A] on [telephone number].”*

The policy goes on to explain the importance of the insured not arranging for work to be done by their own contractor as UKI will not pay for any work Company A hasn’t agreed in advance. After setting out how Company A will manage the claim, the policy gives details of how to complain about any service given by Company A under this section of the policy. This is by complaining to Company A whose contact details are set out in the policy.

I think the policy documentation made it clear how Landlord Emergency claims would be handled. If Mr H was unhappy with this arrangement, then he shouldn’t have entered into the policy or he could have exercised his right under the 14-day cancellation period to cancel the policy. So, I don’t think UKI treated Mr H unfairly by referring him to Company A with regard to his landlord emergency claim and by refusing to discuss it further with him.

In addition, UKI has explained that it doesn’t have full access to Company A’s systems, so it was very limited in what it could do to help Mr H. I can see that on one occasion it contacted Company A on his behalf and asked it to contact Mr H that same day. I think that was reasonable in the circumstances.

I’m sorry to disappoint Mr H who, I know, feels strongly about this issue but I don’t think UKI has treated him unfairly.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 22 April 2025.

Elizabeth Grant
Ombudsman