

The complaint

Miss B complains that U K Insurance Limited trading as NIG Insurance (“UKI”) wouldn’t pay for part of her claim for water damage to her home.

What happened

Miss B had a leaseholder’s insurance policy with UKI covering the fabric of her apartment.

In December 2022 the roof of her apartment leaked and was repaired by the local authority.

In the summer of 2024 Miss B noticed some water damage and mould inside her apartment apparently from the leak. She made a claim from UKI.

UKI sent a loss adjuster who said they thought the water ingress had affected the kitchen and bedroom. They agreed to settle Miss B’s claim for £2,870 before excess, which it calculated from parts of quotes Miss B provided. The work to be done would, in short, be to dehumidify, remove and refit kitchen units, make good the wall and redecorate.

Miss B wasn’t happy about this. She said there was mould damage in her bathroom and living room. She also wasn’t happy with the loss adjuster’s attitude. Miss B had obtained quotations for £8,050 of work that she said needed carrying out to rectify damp, and a further £7,035 to replace her kitchen and associated works.

UKI said it wouldn’t pay for the other work. It said it thought the damage Miss B asked to be covered was caused by a lack of ventilation. It said the policy wouldn’t pay for maintenance, improvements or future loss prevention works.

As Miss B remained unhappy, she brought her complaint to this service. She asks that UKI pay for all of the areas of damage to be fixed as, or close to, market prices. She says she’s been unable to live at the property due to mould, and UKI hasn’t paid for her alternative accommodation costs.

Our investigator looked into it and thought it wouldn’t be upheld. He said he thought UKI had reasonably shown the additional damage was caused by lack of ventilation in the property. What that meant was that there wasn’t cover under the terms of UKI’s policy.

Miss B didn’t agree with the view. She says the walls are still very wet and this continues to cause her issues. She doesn’t agree that a lack of ventilation is the cause. Because Miss B didn’t agree, her complaint has been passed to me to make a final 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.

I’ll start by saying that I’m not going to respond to every point made by Miss B in her complaint. No disrespect is intended by this, which is in line with this service’s informal approach. I would assure her, however, that I have read the entire file of evidence even if I

don't refer to it here.

Having done so, I'm not upholding this complaint and I'll explain why.

At the centre of Miss B's claim from UKI is the cause of the damage in her apartment, which I can see was water damage and mould.

UKI decided that the ingress of water from the roof was the cause of damage to the walls in the kitchen and bedroom of Miss B's apartment, whereas she maintains the walls remain wet and there's damage and mould to two further rooms.

It's important I say that if UKI wants to reject Miss B's claim then it needs to provide proof that an exclusion applies, or that cover didn't exist under the policy. And, likewise, it's Miss B's responsibility to show that damage happened and what reasonably caused it.

But from what I can see, the apparent damage to the roof, that caused the ingress of water, was fixed in 2023. I mention 'apparent damage' here because the local authority's description of the work carried out seems to focus on unblocking of gutters and some minor tile repairs.

What this means is that I agree there was some water ingress to the property, which has caused damage. UKI sent a loss adjuster, whom I'd regard as an expert, to look at Miss B's apartment and assess the damage.

I can see Miss B complained about the loss adjuster and feedback has been sent internally by UKI concerning this.

As an expert, the loss adjuster is assessing how the damage happened and whether UKI's policy is liable for the claim. And I can see that the loss adjuster, after inspecting the property, assessed that only part of Miss B's overall claim would be covered.

Understandably, Miss B objected to this, saying the damage was much more widespread. I've mentioned above that she's mentioned the walls are still wet and mould has affected her belongings and her health, meaning she felt she had to move out and live elsewhere.

And this is, I feel, the crux of the issue. UKI's loss adjuster who was onsite, said they thought the claim was only valid to two rooms. As an expert, I need to give due weight to their opinion.

I can see from the file that there are several mentions from different parties about the apartment needing additional ventilation. There is a quotation on file from Miss B's choice of contractor saying that fans would be fitted at a cost of about £3,300.

There's a message in the file where Miss B said:

"Following up a visit from [local authority] a couple of weeks ago they highlighted that my flat has no ventilation in place in any of the room[s] and it will be a requirement to install them in kitchen, bathroom, living room and bedroom".

So, I think the file shows me that it's reasonable to say Miss B's apartment needed additional ventilation, and it's likely that the additional damage she's claiming for was due to this, which is a maintenance matter.

I've said above that UKI's policy doesn't provide maintenance of a property, so I don't reasonably think UKI has acted unfairly in declining the part of Miss B's claim it thinks was

due to maintenance rather than the water ingress.

I'll also say that UKI agreed to pay some dehumidifying costs as part of the claim, and I think this is fair and reasonable.

I also need to say that in her approach to this service, Miss B asked for her alternative accommodation costs to be taken into account as she didn't feel able to stay at the apartment due to the mould and smell. But as I say above, I don't reasonably think this part of her claim is covered so UKI doesn't need to pay for her costs.

Miss B has also talked about damage to her possessions, but this policy covers the fabric of her apartment, not its contents. So UKI's policy doesn't cover these items.

Finally, Miss B said her kitchen units would need to be replaced as part of the (covered) works to be carried out at UKI's cost. But the loss adjuster said they would only need to be removed, and then replaced once the work was done. I know Miss B has provided a quotation for a new kitchen, but as I say above, her policy with UKI doesn't provide maintenance or the opportunity to upgrade fittings in her home. So, in the absence of further evidence, I don't agree UKI needs to pay for this.

I do appreciate Miss B will find my decision disappointing, but I don't think UKI has done anything wrong in saying it will pay for the part of her claim it thinks is covered, and I'm not upholding her complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 April 2025.

Richard Sowden
Ombudsman