

The complaint

Mr R has complained about the way in which UK Insurance Limited ('UKI') handled his claim for flood damage under his home insurance policy. For the avoidance of doubt, the term 'UKI' includes UKI's agents and contractors for the purposes of this decision. The term 'Mr R' includes submissions made on his behalf by his representative.

What happened

Unfortunately, Mr R's house was flooded in August 2023, and then again in May and July 2024 apparently due to run-off from adjacent fields following heavy rain. As to the May flood, UKI's contractors had been on site and were able to divert most of the flood water. A new rear door was to have been fitted as part of the works relating to the original incident, but the work was only partially completed before the July flood. Mr R considered that the work was of a poor standard and had taken too long. He was unhappy that UKI had treated the July damage as a new claim, and also that Mr R and his late wife had to stay far longer than necessary in a static caravan, and that this had affected their health.

Whilst UKI accepted that the door hadn't been fully sealed at the time of the July 2024 flood, it considered that the flooding incident itself was the main cause of damage. It also said that there were other factors involved, such as the level of the internal flooring in relation to the level of the ground outside, and the porch being constructed of single skin brickwork. UKI paid £100 in compensation for certain delays, but otherwise maintained its decision.

As Mr R remained unhappy with the outcome of his complaint, he referred his complaint to this service. The investigator's ultimate view was that Mr R's complaint should be upheld. She considered that UKI should have carried out effective and long-lasting repairs, and a standard door would leave the property at significant risk of flooding again. She thought there was no point in UKI completing repair work which "*would require re-doing after a short period of time, or on a regular basis.*" She concluded that UKI should fit a flood door however Mr R installed one in any event and the investigator subsequently concluded that UKI should reimburse this cost instead. The investigator also didn't consider that the July incident should be treated as a second claim and thought that UKI should pay compensation of £350 for the distress and inconvenience caused.

UKI didn't agree with the investigator's view and the matter has now been referred to me to make a final decision in my role as Ombudsman

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.

The key issue for me to consider in this case is whether UKI applied the terms and conditions of the relevant policy in a fair and reasonable manner by treating the July incident as a new claim and in refusing to install a flood door. I don't consider that UKI acted in a fair and reasonable manner, and I'll explain why. In reaching this decision, I've also considered the submissions of the parties as summarised below.

I turn firstly to Mr R's submissions. He said that whilst replacing the rear door after the initial flood, the joint between the door frame and wall was left open by the contractors and therefore not weather tight. Heavy rain led to water flowing through this gap and causing another flood which UKI classed as a second claim. Mr R felt that if the door had been sealed correctly, the July flood wouldn't have occurred. He also felt that the contractors weren't appropriately registered to carry out the work. As a result, although elderly, he and his wife had to stay in alternative accommodation (a caravan) longer than necessary. He was concerned that his insurance premiums would be higher in future due to two claims within 12 months. Also, as the door was poorly sealed, mould had grown on the wooden threshold.

Mr R also said that failing to leave the door weather tight, knowing the above facts, was purely reckless. He said that the gap left by the contractors was at ground level, and below the threshold, and that this led to the flood. No water had entered the property since the door was correctly sealed, despite having similar if not worse amounts of rainfall and a further named storm. The property also didn't suffer from damp on the relevant wall during winter, and he felt that the fact that the internal and external floors were on similar levels should have given UKI a sense of urgency, given it was on site due to the original flooding incident. Ultimately Mr R had a flood door fitted at his own expense, as well as a solid wooden gate and one way valve to the waste-water pipe.

I now turn to UKI's submissions in response to Mr R's complaint. It didn't consider that it should be held responsible for upgrading the customer's exterior door to a flood door. It said that the terms of the policy were to reinstate the property to the standard it was prior to the incident. It said that the property didn't benefit from a flood door or gate prior to the flood and that the policy didn't provide for betterment or putting in place preventative measures. It said that the door was therefore replaced with a normal door on a like for like basis.

UKI also stated that the complaint related to a fresh and separate incident of flooding, a year after the original incident and shouldn't therefore be included in the original claim. It said that there was a significant amount of new damage that had to be repaired following the second flood, the proximate cause being the heavy rain. UKI considered that a flood gate wouldn't have made a difference due to the drains backflowing. It acknowledged that there was an element of sealing of the door that hadn't been completed, but it didn't think this made a difference, as this was the third flood at the property in 12 months. It considered that a separate claim strengthened the position in terms of holding a third party responsible.

UKI did however partly uphold Mr R's complaint. As the house was confirmed dry at the beginning of August but the contractors didn't return for nearly two weeks, it paid Mr R £100 in compensation to recognise this delay.

I now turn to the reasons for upholding Mr R's complaint. The starting point in determining insurance complaints of this nature is the wording of the relevant policy documents, as it forms the basis of the insurance contract between insurer and customer. In this case, the policy provides standard cover for flooding incidents and provides the insurer with the option of repairing damage or making a cash payment, and this would normally be based on the cost to the insurer of using its own supplier. In this case, UKI decided to repair the damage.

As UKI states, relevant policies aim to place the customer back in the position they were in before the loss or damage happened, and the insurer should usually act accordingly. Sometimes, this isn't possible, and each case must be considered on its own merits and considering the individual circumstances of each customer. When an insurer chooses to settle a claim by repair, the service considers it fair and reasonable for the insurer to indemnify the consumer by carrying out an effective and lasting repair.

The question for me here is the extent to which incomplete fitting of the door contributed to the flooding of Mr R's home. I'm mindful that the property had previously flooded when the old door was in place. Nevertheless, in this instance, UKI agreed that the installation of the back door hadn't been completed when heavy rain fell again in July 2024. Mr R has also provided compelling photographic and video evidence, which shows that work was incomplete, was of poor quality and that the door fitting wasn't watertight. I'm satisfied that the cause of the property flooding in July 2024 was the poor and incomplete work by UKI's contractors. I'm satisfied from the available evidence that the flooding wouldn't have occurred on this occasion, if UKI's contractors had diligently and correctly carried out the fitting of Mr R's new door. I'm satisfied therefore that this was the main cause of the flood.

In the circumstances, it was UKI's responsibility to remedy the damage caused by its failure to diligently complete the works. It was therefore unfair and unreasonable to treat the damage as being caused by a fresh flooding incident. Whilst I have no doubt that there had been further heavy rain, there was no reason to suppose that a properly fitted door, as well as the installation of a wooden gate by Mr R would have withstood those particular flood conditions. Measures taken by the contractors in May 2024 had likewise ensured that that most water had been diverted and kept out of the property. It would also be unfair for UKI to expect Mr R to bear the cost of a further excess, and indeed the likely adverse impact upon his policies and premiums of a further claim, when the damage was due to the contractor's failure. It had already had ample opportunity to provide a standard door in a workmanlike manner and which may well have withstood the July 2024 flood.

I note that Mr R had then, following discussions with the loss adjuster, decided to take the responsible course of action to install a flood door to minimise the risk of flood damage in future. In this case, I consider that the need for a flood door had become necessary, in view of the apparent increase in run-off from neighbouring land during very heavy rain. In default of a swift over-arching remedy regarding the source of the problem, in the specific case of Mr R's property, a flood door provided a logical solution to prevent further claims for flooding being made on the policy. This is of benefit not only to Mr R but also to UKI, as it's now been dealing with this complex flooding issue for over a year. Replacement with a flood door as discussed with loss adjusters would likely be an effective and lasting repair. Whilst there is of course a degree of 'betterment', I'm satisfied that this is the fairest long-term solution.

In the circumstances, I consider that UKI must reimburse Mr R the cost of the new flood door and also pay interest from the date of payment to the date of settlement. I also agree that any adverse indicator should be removed from Mr R's files and the relevant claims and underwriting exchange data base, that UKI should refund to Mr R the excess he paid. It should also pay Mr R compensation in the sum of £350 for the distress and inconvenience caused by the failure of UKI's contractor to diligently complete repair works and the consequential additional, unnecessary delays in being able to return to his home.

I extend my sincere condolences to Mr R for the loss of his wife during what will have been an extremely traumatic period, having to deal not only the first flooding incident at his home, but also the May and then July 2024 incident, and having to leave his home while his home was reinstated.

Whilst registering of a further claim may have assisted UKI in relation to any overarching claim against a third party, this isn't relevant to the question of how UKI should have fairly and reasonably treated Mr R in terms of the significant issues he experienced due to the failures of UKI's contractor.

My final decision

For the reasons given above, I uphold Mr R's complaint and I require UK Insurance Limited to do the following in response to his complaint:

- To reimburse Mr R the cost of the installed flood door, withing 28 days of this decision and on production of evidence of the date of all payments.
- To reimburse any excess which Mr R had to pay in relation to the July 2024 incident.
- To pay interest on both of the above amounts, calculated from the date Mr R paid the relevant invoice or excess up to the date of settlement, at 8% a year simple interest.*
- To ensure removal of any adverse indicator from Mr R's files and the relevant claims and underwriting exchange data base in relation to the July 2024 flooding incident.
- To pay compensation in the sum of £350 for the distress and inconvenience caused to Mr R.

* If UKI considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R how much it's taken off, and it should also give Mr R a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 April 2025.

Claire Jones
Ombudsman