

The complaint

Mr B complains that U K Insurance Limited (“UKI”) didn’t confirm how its settlement would be paid, under his home buildings insurance policy.

What happened

Mr B says he received a letter from UKI telling him that a payment, in settlement of his claim, had been sent. This letter didn’t say how the payment was being made. Mr B says he wasn’t told a cheque was being sent in the mail. This caused a delay in the payment as the cheque wasn’t received. Mr B says UKI should make it clear on its letters how a payment is being provided. He says he was caused some distress thinking someone else had cashed the cheque.

In its final complaint response UKI says it called Mr B on 16 October 2024. It couldn’t get through and there was no voicemail facility. So, it sent a letter the same day asking Mr B to call back so it could progress his claim. It then wrote again on 18 October to say a payment had been sent.

UKI apologised to Mr B that insufficient contact was attempted before sending a cheque. It says it didn’t give him enough opportunity to call back due to the timing of its next letter. UKI says its letter of 18 October 2024 is pre-populated. And that it’s “*disappointing*” that this letter doesn’t advise the method of payment used.

UKI acknowledged it had caused a delay in Mr B receiving his settlement payment. So, it paid him £200 compensation direct to his bank account to acknowledge this.

Mr B wasn’t satisfied that UKI hadn’t amended its pre-populated letter to include reference to its payment method. So, he referred the matter to our service. Our investigator didn’t uphold his complaint. She explained that it’s not our role to tell an insurer how to run its business. She thought the compensation UKI had paid Mr B was fair to acknowledge the distress and inconvenience caused.

Mr B didn’t accept our investigator’s findings and asked for an ombudsman to consider the matter.

It has been passed to me to decide.

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.

Having done so I’m not upholding Mr B’s complaint. Let me explain.

As our investigator explained it’s not our role to tell UKI how to run its business. Our role is to consider his complaint and the impact this had on him. It’s the role of the Financial Conduct Authority (FCA) to regulate the industry. If Mr B wants to pursue the matter with the FCA he

can visit its website at www.fca.org.uk. The website includes a section headed “*whistleblowing*”. This provides an online form, an email address, and a telephone number for consumers to make contact. I hope this is of some help to him. But for the reasons already discussed, I can’t instruct UKI to amend its letter in the way Mr B has requested.

I acknowledge what Mr B says about not knowing if someone else had cashed his cheque. This caused him to worry. In its complaint response UKI says it wouldn’t be possible for someone else to cash the cheque as it was in Mr B’s name and registered at his address. I note what UKI says. But I can’t say it was unreasonable for Mr B to have the concerns he did in these circumstances.

There was a delay in Mr B receiving his settlement payment. From what I’ve read this is because of the lack of phone contact and clear communication from UKI.

Having considered all of this I think it’s fair that UKI pays Mr B compensation. In these circumstances I think £200 is fair. But as UKI has already paid this amount I won’t ask it to pay more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 20 May 2025.

Mike Waldron
Ombudsman