

The complaint

Miss S has complained about her let property insurer, U K Insurance Limited, regarding a claim she made to it when a leak and water damage were discovered at her property.

What happened

A leak and damage were found at the end of June 2023. Miss S contacted UKI. Tenants at the property moved out in July. Miss S began getting quotes and trying to reach an agreement with UKI on the claim. In autumn 2023 UKI appointed a loss adjuster and it was then decided that UKI would complete repairs.

They began in February 2024, but issues with the work arose. It was said to be complete in May. The property was let again in August 2024. But shortly after plaster began to crack. It was established the property had not been dried before works began. UKI sent a drying company out which found the property was still wet and that there were additional leaks. Arranging for the leaks to be fixed proved difficult because they were on/from pipes Miss S was not responsible for.

Miss S was unhappy about what had happened during the claim and complained to the Financial Ombudsman Service. UKI had, during the course of the claim, provided final response letters to concerns raised by Miss S. It offered £700 compensation but when she complained to this Service it hadn't answered her most recent complaint. It provided its submission to this Service up to mid-December 2024.

Our Investigator noted the prior final responses and compensation offered. She said she would consider matters until mid-December 2024. She said there had been significant failings and delays caused by UKI. Most notably that it did not complete the most basic of functions during an escape of water claim – ensuring the property was dry before starting repairs. She felt UKI should pay Miss S a total of £1,400 compensation.

UKI said it accepted the outcome.

Miss S said making UKI pay just a further £700 was not enough of a penalty. She said she had also suffered financially due to UKI's failures and delay.

Our Investigator issued some further findings but when matters could not be agreed the complaint was referred to me for an Ombudsman's decision. I reviewed the complaint and told both parties I was in agreement with the points made by our Investigator about how UKI had failed Miss S during this claim. I said I agreed a total of £1,400 compensation was fair and reasonable. However, I also shared with UKI a list of financial losses Miss S had provided and which she had supported in evidence. Of the circa £12,000 listed, I said UKI should pay £9,818 plus interest. Neither party responded to my findings.

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.

As already noted, I agree with what our Investigator set out. Particularly that UKI failed Miss S in not ensuring the property was dry before it commenced repairs. It was always up to it to ensure its work was lasting and effective, it isn't reasonable for it to say, as I know it has tried to, that it relied on Miss S saying the property was dry. She is not an expert.

In any event I'm satisfied that UKI:

- Caused several months of delay in 2023 before it agreed to take on work.
- Failed to check the property was dry and/or dry the property before commencing repairs.
- Completed poor work such that significant rework was required, causing delays in spring 2024.
- Completed works fated to fail and which did fail (because the property wasn't dried).

I'm satisfied that, as a result, Miss S suffered significant upset. She had a lot of inconvenience through this period because of UKI's failures – needing to put in much more effort as a result of the claim than she otherwise would have done. In addition, the property was not tenanted. If UKI hadn't delayed the property could have been re-let much sooner than it eventually was and Miss S would have avoided losing rent and incurring other costs.

I've considered Miss S's upset caused by UKI's failings, and the financial losses she has asked UKI to pay. The one loss I am not minded to make UKI pay is that for the service charge Miss S has to pay for the property. She's explained she pays that out of rent received. UKI has reimbursed some rent under the policy and I am requiring it to pay some in addition to that. So if I made it reimburse Miss S the service charge as well, she would be benefitting unfairly as she would always have needed to pay that bill.

When I contacted the parties to advise what I felt was required to resolve this complaint, I said UKI should pay the costs specified by Miss S, with the exception of those for the service charge. I gave a figure of £9,818, based on the total Miss S gave of £12,781 less those set out for the service charge. I'll issue a small correction here as I now see there is a small mathematical error in the total sum Miss S gave. The correct total for the items I think UKI should pay is £9,853.

I'm satisfied its fair and reasonable, in the circumstances here to require UKI to pay Miss S:

- £1,400 – total compensation, if any part of this sum has been paid already it won't have to pay it again.
- £9,853 plus interest*, applied on each sum that makes up this total from the date Miss S incurred the relevant cost or should have received income, until settlement is made.

The sum is made up of:

- £6,825 – three month's rent, May, June and July 2024.
- £586 – utility usage between July 2023 and August 2024.
- £692 – water usage between July 2023 and August 2024.
- £1,750 – Council Tax charges between July 2023 and August 2024.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require U K Insurance Limited to take off tax from this interest. If asked, it must give Miss S a certificate showing how much it's taken off.

My final decision

I uphold this complaint. I require U K Insurance Limited to pay Miss S the sums of £1,400 and £9,853, the latter plus interest* as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 June 2025.

Fiona Robinson
Ombudsman