

The complaint

Mr and Ms R complain about U K Insurance Limited's handling of a claim under their home insurance policy.

U K Insurance Limited (UKI) has been represented on the claim by its agents. For simplicity, at points, I've referred to the actions of UKI's agents as being its own.

What happened

Mr and Ms R had a home insurance policy with UKI. In April 2024, they made a claim with UKI after there was an escape of water (EOW) from a pipe to their bath.

Mr and Ms R complained to UKI in May 2024 about delays and poor communication. They said they had to travel back and forth to the property to empty dehumidifier containers, as well as travelling for showers. They wanted compensation for disruption to their daily life. Following this there was a further leak from another pipe, supplying the sink in the bathroom.

UKI issued a complaint response in June 2024. It accepted there were delays in approving the schedule of works (SOW), along with poor service during calls and call backs not being made as promised. It sent Mr and Ms R £100 compensation. It didn't uphold the other aspects of Mr and Ms R's complaint.

In July 2024, UKI decided to cash settle the claim. It paid Mr and Ms R a settlement based on the costs of the remaining reinstatement works, but with a deduction for the alternative accommodation (AA) and associated AA costs it paid, pending evidence from Mr and Ms R to show they paid for AA. It also settled the remaining aspects of the contents claim.

Mr and Ms R disputed UKI's settlement. They said it didn't account for all required works and all contents claimed for. They raised concerns about the health impact they said was caused by UKI's works and the products it used. They also complained about the further leak.

UKI issued a further response in July 2024. It maintained its settlement and said this was based on a review of the evidence. It didn't agree its actions impacted Mr and Ms R's health, but it apologised for disposing of their items. It also accepted there were payment delays. It sent Mr and Ms R a further £100 compensation. But it didn't agree it was responsible for the further leak, initial delays on the claim or repair of the initial leaking pipe.

Mr and Ms R referred their complaint to the Financial Ombudsman Service. They said UKI's settlement was not sufficient, and the property was still not habitable.

An Investigator partly upheld the complaint. They said it was fair for UKI to deduct the AA costs and request evidence of the AA payments from Mr and Ms R. They said it was fair for UKI to cash settle the claim in the circumstances, and they were satisfied the settlement it paid for the repairs and contents was fair. They didn't think UKI was responsible for the health issues Mr and Ms R reported, or the impact of them travelling to the property, or elsewhere for shower facilities. But they recommended UKI reassess and cover the cost to fix the leak on the cold feed supply and pay Mr and Ms R a further £250 compensation.

UKI accepted. Mr and Ms R didn't agree. They requested a final decision by an ombudsman, mainly on UKI not paying them disturbance allowance (DA), their expenses travelling to the property, the health impact due to UKI's works and the AA that had been paid for.

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 should first set out that I acknowledge I've summarised Mr and Ms R's complaint in a lot less detail than they have presented it. Mr and Ms R have raised a number of reasons about why they're unhappy with UKI. I've not commented on each and every point they've raised but, instead I've focused on what I consider to be the key points I need to think about, keeping in mind the specific points they requested a decision on. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mr and Ms R, however, that I have read and considered everything they've provided.

Cash settlement decision

The terms of the policy say UKI can make the decision to settle a claim by making a cash payment. So I've considered if it was fair for UKI to cash settle Mr and Ms R's claim.

I can see in May 2024, Mr and Ms R requested a cash payment to get other parties into the house to complete the required works. And following this, I can see UKI was unable to agree a like for like replacement bathroom suite and associated accessories with Mr and Ms R, in order to proceed with the required works.

With the above in mind, I think UKI's decision to cash settle the claim, to avoid further delays, was fair.

AA and DA

The terms of the policy say UKI will pay for AA if the home is uninhabitable, for the shortest amount of time necessary to restore the home to a habitable condition. UKI initially paid for AA and associated costs, including DA (extra costs, including extra food costs), between around 12 April and 16 May 2024.

The terms also say for loss or damage caused by water escaping from fixed water systems, UKI doesn't cover the repair of the leaking pipes themselves. I've noted this because I don't consider UKI was responsible for repairing the original leaking pipe, or the consequences to Mr and Ms R and their home, of this pipe not being properly or permanently repaired.

Mr and Ms R said they were not told they needed to get the pipe repaired, but having reviewed the evidence, I'm satisfied on balance, they were likely informed of their responsibility to repair the leak in April 2024, following the visit by UKI's agent. I consider the evidence shows UKI agreed to remove the bath, to allow Mr and Ms R to carry out this repair. The bath was removed on around 9 May 2024, so I consider Mr and Ms R would've been able to repair the pipe from that date. I can also see that Mr and Ms R told UKI's agent in May 2024 they didn't want the bath refitted, as they wanted to replace this with a shower – so I don't consider UKI responsible for delays as a result of this.

I can also see in April 2024, Mr and Ms R advised their boiler had suffered damage and a carbon monoxide leak. UKI explained this wasn't covered as the EOW didn't cause this. I think what UKI said was fair, so I don't consider UKI was responsible for any lack of hot water or heating associated with the boiler damage, or any AA that was required because of

this. And despite Mr and Ms R advising they were without heating or hot water, I can see during UKI's survey in July 2024, the boiler was still marked as 'do not use'. So, I can't see that Mr and Ms R addressed the boiler issue by that point.

For the reasons outlined above, I don't consider UKI was responsible for providing AA or associated cover to Mr and Ms R, after 16 May 2024. This is because I don't consider the property being without heating or hot water following this, was directly related to the insured peril (the original EOW), or UKI's actions. And I don't consider the property being otherwise uninhabitable was because of delays UKI was responsible for.

I've listened to the call recording between Mr and Ms R and UKI in May 2024, and UKI said it would pay DA for the period Mr and Ms R were in AA. Having listened to the call, I consider UKI's agreement to pay, was conditional on Mr and Ms R staying in AA (and therefore proving they stayed in AA). I've dealt with this further below.

UKI deducted £3,028.92 from the settlement it paid Mr and Ms R, and this amount represented AA and associated costs (such as DA), it had paid Mr and Ms R already. UKI said it made this decision due to a lack of evidence to show the money it paid Mr and Ms R was used for AA (and associated costs). UKI also said it was willing to repay this amount once Mr and Ms R provided evidence to show they paid for the AA as intended. Given that UKI paid Mr and Ms R the AA costs directly, I think UKI's decision to deduct the payments and request evidence was fair in the circumstances. But I accept this would've caused a loss of expectation.

In September 2024, Mr and Ms R said they paid for AA. They also said the same in their communication to the Financial Ombudsman Service in May 2025. I've reviewed the evidence Mr and Ms R since provided, which was also sent to UKI. This is an undated email, which suggests Mr R's employer paid for AA during the summer of 2024. So I don't consider this shows specific dates, details of all occupants, locations, or a breakdown of costs. It also doesn't show Mr and Ms R were required to pay this cost back.

Mr and Ms R said the AA was for a house rented for and paid for by Mr R's company, but as outlined above, I've not seen sufficient evidence to show this was a cost he was then required to pay. And there isn't evidence to show the AA dates and costs match what UKI paid for, between April and May 2024. Mr and Ms R indicated they stayed in a house, so it's not clear what additional costs they would have incurred, like for example, if they'd stayed in a hotel, and were unable to make their own food.

So I think it's fair for UKI to still require a full breakdown of each AA location and period by way of invoices, outlining the specific costs Mr and Ms R had to pay. And because I consider it fair that any DA payments are conditional on proof that Mr and Ms R stayed in and paid for AA for the relevant periods, I don't think UKI is required to make these payments until it receives sufficient proof. It follows that as it stands, I won't direct UKI to repay Mr and Ms R the AA cost it deducted, or make any further payments.

Buildings cash settlement

UKI paid a cash settlement in July 2024, based on a calculation of the costs of the outstanding insured works. Mr and Ms R are unhappy with the settlement, so I've considered the key points they raised.

Mr and Ms R said UKI didn't pay for work to the kitchen. The evidence I've seen from UKI's visits shows there was no damage to the kitchen noted, other than to plinths and skirting boards, which UKI has covered. There was also no recommendation to strip out the kitchen.

Mr and Ms R provided evidence of wood panels that appear to be wet and damaged, but this of itself isn't sufficient evidence to persuade me the kitchen units were damaged because of the EOW from April 2024, despite the drying works since then. So I won't direct UKI to cover costs for kitchen works beyond what it has already agreed and covered.

Overall, I've not seen evidence to persuade me UKI's cash settlement for building repairs, or the works it has agreed to pay for, is unreasonable. UKI said if Mr and Ms R incurred higher costs for the works it paid for, they could send evidence of this, so it can review whether these costs are fair and reasonable. I think this is fair.

Contents settlement

Mr and Ms R complain that UKI missed items from its contents settlement, and that it hasn't paid the full value of other contents.

One aspect of their complaint is UKI's settlement for the damaged carpet. UKI's settlement payment in July 2024, included £840 for the cost to replace the carpet damaged by the EOW. Mr and Ms R said the cost for carpets is £6,815.

UKI agreed to cover the cost to replace carpets only in areas where there were carpets before, that were damaged by the EOW – I think this is fair. And in doing so, I can see it spoke to the flooring company Mr and Ms R had interacted with.

The flooring company said Mr and Ms R hadn't provided a sample of their original carpet and had instead chosen the most expensive option. I've not seen evidence to persuade me Mr and Ms R's previous carpet was comparable to the most expensive option they chose. And in the circumstances, I think it was fair for UKI to settle based on the cost of a mid-range carpet. This is what UKI did, and following its discussion with the flooring company, I can see its settlement was based on a mid-range carpet for the hall, stairs and landing, including the cost of fitting. I think this is fair, and I've not seen sufficient evidence to persuade me UKI ought to cover the cost of carpet in other areas, or that the cost it settled for was unfair.

UKI has said it is willing to review Mr and Ms R's costs for laying comparable carpet in the areas it agreed to cover, if the cost is fair and reasonable. So I think it is for Mr and Ms R to provide evidence of this to UKI. But as it stands, I've not seen sufficient evidence to persuade me the cost of £6,815 they claimed, is fair and reasonable.

Mr and Ms R said UKI didn't include other items in its settlement. In support of this, they've provided evidence to show the cost of a rug, coffee table, coat and footstool. They've also said UKI's payment of £75 for perished food is insufficient, as the total cost was £225.

The terms of the policy require Mr and Ms R to, in the event of a claim, allow UKI to inspect any damaged items or property.

Mr and Ms R said they disposed of damaged items such as clothing, a mattress, food, and electrical equipment. In doing so, I think they acted contrary to the requirements of the policy. And because they didn't take pictures of all the items to show the damage, before they disposed of them, I don't think it's fair to ask UKI to provide cover for these items in the circumstances. UKI paid £395 for the mattress. Mr and Ms R say the cost of the mattress was higher, but because I don't consider UKI was required to provide cover for the mattress in the circumstances, I think what it has agreed to pay for it is fair.

On the matter of the perished food, Mr and Ms R provided some pictures. But this shows some of the items had use by dates which pre-date the EOW. So some of the food items Mr and Ms R claimed for, had likely already perished before the insured event. And overall,

Mr and Ms R haven't provided sufficient evidence to show the £75 UKI paid was not fair. UKI has asked Mr and Ms R to provide a list of the food, to substantiate their claim the cost was greater than £75, so it can review, and I think this is fair and reasonable.

Overall, I think UKI has settled the contents claim based on the damaged contents it was able to confirm were present at the time of, and damaged by, the EOW. In doing so, it has relied on the evidence from the pictures and reports from its agents when they attended. I think this is fair. And I've not seen sufficient evidence to persuade me what UKI paid for the items it agreed to cover was unfair. Mr and Ms R said there were digital items in the electronic devices UKI agreed to cover, and UKI has asked for invoices of these items – I think this is reasonable. So I won't direct UKI to do anything else.

Financial loss

Mr and Ms R said they travelled back and forth to their home to empty the dehumidifier water containers. They also said they had to travel a considerable distance daily for shower facilities after UKI stopped providing cover for AA. They've asked UKI to compensate them for this and reimburse their costs.

UKI explained that of the four dehumidifiers, three had piping for excess water that ran into sinks. So I don't consider it likely these would require emptying on a regular basis. I've also not seen evidence that Mr and Ms R raised the matter of overflowing dehumidifier containers with UKI or its agents. So I think the decision to visit the property daily is one Mr and Ms R made themselves. With this in mind, and because UKI's agent confirmed it was not the standard process to check on the dehumidifiers daily, I don't consider it fair to hold UKI responsible for Mr and Ms R's decision to visit their property.

As for the daily shower facilities, I've explained above why I don't consider UKI was responsible for providing AA, or associated cover, after 16 May 2024 (when the period of AA it initially paid for came to an end). I've also explained why I don't consider UKI responsible for Mr and Ms R not having access to washing facilities. In addition, I don't consider it reasonable Mr and Ms R chose to travel a substantial distance for shower facilities - they had a duty to mitigate their own losses, and I agree with UKI there would likely have been shower facilities close to where they were located, without requiring substantial travel.

Overall, for the reasons outlined above, I won't direct UKI to compensate Mr and Ms R, or reimburse costs, for their travel to their home, and for shower facilities.

Non-financial loss

Mr and Ms R complained that the products UKI used in carrying out its works led to health issues. I've seen evidence of an Optometrist's notes confirming issues experienced by Mr R with his eyes. But I can't see the notes confirm the Optometrist was satisfied the issues experienced by Mr R were caused by UKI's works to his property. The Optometrist also likely relied on Mr R's testimony, without having seen the condition of the home themselves, so I'm not persuaded this is sufficient to show UKI's actions caused Mr R medical issues.

UKI explained it wouldn't expect the products used to cause the problems reported, as the warnings on the labels are for whilst the products are being mixed and used, and not for once they've set. I find this explanation persuasive, so on balance, I'm not satisfied UKI's works, once completed, resulted in conditions that were unsafe for Mr and Ms R.

Other leak

The Investigator said there was no report from UKI to show the cause of the leak, so they

recommended UKI reassess this and consider the cost to fix it. UKI accepted this, and in the circumstances, I see no reason to depart from the agreed recommendation.

Workmanship

Mr and Ms R also raised concerns with the quality of works completed by UKI, prior to its cash settlement. But they've not provided sufficient evidence to persuade me there was poor workmanship. And keeping in mind UKI's reports from April and July 2024, noting pre-existing issues like damp, and cracks allowing ingress, I'm not persuaded the issues Mr and Ms R reported can fairly be attributed to UKI's works.

Fair compensation

UKI has accepted there were delays receiving and approving the SOW, delays making payments to Mr and Ms R, along with poor service during calls and call backs not being made as promised. It also accepts some of Mr and Ms R's contents were disposed of by its agent, and it has agreed to cover the cost to replace (and where needed, refit) these. I've not seen evidence to persuade me there were avoidable delays beyond what UKI accepted above, but I've considered the impact of UKI's actions on Mr and Ms R.

Overall, I think UKI's actions would've caused Mr and Ms R considerable distress and significant inconvenience. And in these circumstances, I agree with the Investigator, that a further £250 compensation, on top of the £200 compensation UKI already paid, is fair and reasonable. So this is what I will direct UKI to pay.

My final decision

My final decision is that I partly uphold this complaint and require U K Insurance Limited to:

- Pay Mr and Ms R a further £250 compensation.
- Reassess the leak to the cold feed supply to the hand basin, and consider the reasonable cost to repair this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Ms R to accept or reject my decision before 18 July 2025.

Monjur Alam
Ombudsman