

The complaint

Mrs P's representative complains on her behalf that U K Insurance Limited (UKI) have made an unfair offer to finalise her claim on her home insurance policy.

References to Mrs P, or her representative, will include the other.

UKI are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As UKI have accepted it is accountable for the actions of the intermediary, in my decision, any reference to UKI includes the actions of the intermediary.

What happened

Mrs P made a claim on her home insurance policy in 2022. There was some snagging work required to finalise the work completed.

After obtaining an independent report on the required remedial repairs UKI made Mrs P a cash offer of £2,500. Mrs P's representative provided two alternative quotes as he said UKI's offer wouldn't cover all the remedial work required. Both quotes were higher than the cash offer from UKI.

UKI didn't accept the quotes obtained by Mrs P's representative and said the cash settlement of £2,500 was its only offer.

Because Mrs P's representative was not happy with UKI, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said as UKI are the party enforcing a cash settlement it's its responsibility to cover the costs of the quotes obtained. They said the offer from UKI only reflects its costs and this is lower than the actual repair costs obtained by Mrs P. And this means it has failed to properly indemnify her under the policy because she would be unable to complete the necessary repairs with the amount provided. They recommended UKI cash settle the claim using either of the two quotes provided by Mrs P's representative.

As UKI is unhappy with our investigator's view the complaint has been brought to me for a decision to be made.

What I provisionally said

This complaint is in reference to snagging work that was due to be completed after a claim dating back to 2022. Some remedial work was required, and it was agreed that the way forward was for an independent assessment of the work required to be carried out and the required work would be covered by UKI.

UKI instructed an independent loss adjuster to visit Mrs P's property to discuss the issues and report on what works were needed. I saw this took place on 17 May 2024 and a report

was produced detailing the remedial work required. I saw the scope of work was provided to Mrs P's representative in July 2024.

UKI said it would not complete the works itself and offered £2,500 to cash settle the works required. It also gave the option for Mrs P's representative to obtain two estimates for the work as per the scheme of works schedule provided to him. Mrs P's representative said he would obtain and provide estimates.

I saw UKI contacted Mrs P's representative a number of times to chase up these estimates. Two quotes of £4,000 and £4,500 were provided in November 2024 from builders chosen by Mrs P's representative.

UKI said these quotes were not reasonable. I saw it made attempts to validate the quotes and spoke with one builder who was unable to confirm the work involved and how he had arrived at the price of £4,000. It was unable to contact the other builder. It maintained its cash settlement offer of £2,500 and that this was its only offer.

Because UKI has insisted it will only make a cash settlement in this case, its offer must not leave Mrs P out of pocket and unable to complete the repairs. Our Service's general approach to cash settlements is that if the cash offer only reflects the insurer's cost, that it fails to properly indemnify them under the policy if the consumer is unable to complete the necessary repairs with the amount provided.

In this case I saw the £2,500 cash settlement offer (net of VAT) from UKI was approximately 25% higher than the cost to itself.

The scope of work report was carried out by an independent loss adjuster and the instruction given to it by UKI was to visit and view the outstanding snagging issues with Mrs P's representative in attendance. No information was provided to the loss adjuster as to what UKI believed the snagging issues were. I saw Mrs P's representative was in attendance at the inspection and had the opportunity to show the assessor all the required snagging work.

Mrs P's representative told our service that not all snags were recorded in the scope of work document and work required to the bathroom ceiling and the loft floorboards and insulation was missing from it. UKI said Mrs P's representative was sent the scope of work report and issues with the bathroom ceiling/loft being missing from the independent report wasn't raised.

UKI confirmed Mrs P's representative made a separate report of water entering the bathroom and said this wasn't connected to the required snagging work in this complaint. I saw a report completed in April 2024 by a UKI partner, which concluded rainwater was getting in due to defective felting on the roof. UKI said it wasn't an incident covered by the policy and a new claim was not set up.

There is no work detailed to the bathroom and/or loft in the independent loss adjuster's report. However, Mrs P's representative has said the quotes he obtained do include works to the bathroom ceiling and loft. I looked at the quotes from the builders chosen by Mrs P's representative and saw the quote for £4,500 referred to work stated on the insurance report and the other for £4,000 had no detail of what work was included in the quote.

I am not persuaded the quotes provided by Mrs P's representative have been accurately calculated, in terms of what work is included. There is no conclusive evidence they are reflective of the work detailed in the scope of works. And the work to the bathroom and ceiling caused by rainwater entering isn't part of the snagging work that was due to be completed after the claim in 2022 so this cannot be included as part of this complaint.

Although UKI is enforcing a cash settlement I am persuaded that the cash settlement of £2,500 it has offered Mrs P is a fair and reasonable offer that will enable her to complete the

necessary repairs that were found to be part of the snagging work from the claim in 2022 as detailed on the scope of works completed by the independent loss adjuster.

Therefore, I don't intend to uphold Mrs P's complaint, and I don't intend to require UKI to increase its cash settlement offer of £2,500.

Responses to my provisional decision

UKI responded and accepted my provisional decision.

Mrs P's representative responded and provided copies of a report made after his claim in 2022 and said his complaint hadn't been considered in the detail he expected. He referred to reports completed in 2022 and said UKI provided the loss adjuster who attended in May 2024 with these reports so they would have been aware of all the previous snagging issues. He also said;

- He had complained to the independent loss adjuster regarding missing snags from its independent report. He confirmed this was raised by phone, so he had no record of the points he made.
- The builder who provided the cheapest quote gave all the information required via telephone to UKI as to why he had priced his quote, and a detailed report could have been provided if requested. He confirmed both quotes he submitted were based on the independent report from May 2024, despite him not agreeing with the content.
- As a consumer he would not have the benefits of special rates that UKI would receive to complete the work identified.
- The reference to rain and defective roofing was a different issue and wasn't part of this complaint.

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.

In response to Mrs P's representative's comments

As a resolution to Mrs P's representative's previous complaint to our service UKI was required to obtain an independent report detailing any remedial snagging work required and for it to make a settlement for the work identified. For clarity, in this complaint I am only able to consider if the independent assessment and settlement made by UKI to complete the snagging work identified in the independent report is fair.

UKI have confirmed the independent loss adjuster wasn't provided with its reports or given any information about snagging issues. I am satisfied the independent report was *independent* as per the requirement. UKI said after the independent assessment was undertaken in May 2024 Mrs P's representative complained he received only the schedule of snagging and didn't receive the full report, but it wasn't made aware there was disagreement with the schedule of snagging issues.

Mrs P's representative's builder was unable to provide UKI with detail to substantiate what its quote of £4,000 included when asked on the phone. I don't think if UKI requested the builder provide this in writing that it would make a difference in this case. I saw a lot of the snagging items are minor in nature and only minimal parts are required; the majority of the cost is labour. I am persuaded the estimates provided are excessive to complete the work required. The evidence I have considered shows UKI's cash settlement offer is not

calculated on any special rates it may be able to obtain, the offer is higher (net of VAT) than the amount the independent report calculated it would cost.

Outstanding work to the bathroom ceiling and loft has been mentioned a number of times by Mrs P's representative. My findings are in agreement that the reference to rain getting in and a damaged roof is not part of this complaint, and although I referenced it I confirm this wasn't considered in my findings.

Based on the evidence I've reviewed I am persuaded UKI has fairly indemnified Mrs P under the terms of her policy and its cash settlement offer of £2,500 is fair and will enable her to pay for the identified remedial works to be completed.

I maintain my provisional decision and I don't uphold Mrs P's complaint and don't require UKI to further increase its cash settlement offer of £2,500.

My final decision

For the reasons I have given I don't uphold this complaint.

I don't require UKI to do anything further in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 24 June 2025.

Sally-Ann Harding
Ombudsman