

The complaint

Mrs B complains about the way Intact Insurance UK Limited ('Intact') settled various aspects of a claim she made on her property insurance policy.

What happened

The following is intended as a summary of key events only.

Mrs B held a home insurance policy with Intact. In 2023 her home was significantly impacted by a landslide. She made a claim against the policy, which Intact accepted. Mrs B previously complained about the settlement of the buildings part of her claim, but this was considered separately by another Ombudsman at this Service.

The remaining items of the claim she was unhappy with were how much Intact had paid for her alternative accommodation claim and whether a hot tub would be covered under the contents or buildings part of the policy. An Investigator at this Service considered those complaint points and concluded the alternative accommodation costs already paid were fair and reasonable in the circumstances and recommended that Intact should reconsider the hot tub claim in line with the contents section of the policy. The Investigator also felt Intact should pay £400 compensation.

Intact agreed with the Investigator's recommendations but Mrs B didn't. She said her policy terms outlined she had up to three years' alternative accommodation cover, so Intact should be required to pay alternative accommodation and storage costs up until the date of the sale of her property, and not when it was deemed habitable again. She explained that, given the complex and unique circumstances of her claim, it wasn't reasonable to expect her to return to the property.

She also felt the compensation award of £400 was too low in the circumstances and said Intact should have settled her claim for her carpets, flooring, and hot tub much sooner. She felt a fairer sum would be £1,200 for the distress and inconvenience she'd faced. Finally, she agreed that the hot tub claim should be accepted in line with the contents section of the policy and said the like-for-like replacement cost was £7,999.

As the complaint is yet to be resolved, it's 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.

The background details of this complaint are well known to both parties, so I haven't repeated them in detail here. Instead, I've focused on giving the reasons for my decision. I assure Mrs B and Intact, however, that I have read and considered everything provided.

The crux of this complaint comes down to Mrs B being dissatisfied with the provision of alternative accommodation and Intact's position on cover for a hot tub, as well as how much compensation they should pay. I've referred to each of these issues for ease of reference.

Alternative accommodation

The starting point here are the policy terms, which say alternative accommodation is provided where:

"...your home is made uninhabitable as a result of damage by an insured cause under this section, we will pay the additional cost of similar accommodation for your family and any domestic pets living with you, for up to 3 years from the date the property becomes uninhabitable.

I think the policy wording is clear the alternative accommodation is intended to cover the additional cost of housing whilst insure properties uninhabitable due to an insured event. While I accept Mrs B's submission that it allows cover for up to three years, I find that that is a maximum limit, and not a guaranteed entitlement. I'm satisfied the cover ends once the property can be lived in again. And while I accept Mrs B's very specific circumstances here, her submissions outline that she and her family didn't feel comfortable returning to the property, not that they couldn't.

So, while I recognise the decision not to return home to the property was one that Mrs B felt was necessary, I must recognise that it remained her own decision. Ultimately, Mrs B sold the property and that means the purpose of alternative accommodation cover no longer applies. It follows that I'm not persuaded that it would be fair or reasonable for me to direct Intact to cover an additional 11 months of cover Mrs B has asked for.

Hot tub claim

The dispute over the hot tub focused on whether it should have been treated as buildings or contents under the policy. I can see that Intact has now agreed to categorise the hot tub under the contents section of the policy rather than buildings. I've considered the policy's terms, and I think they are clear that contents cover is subject to certain limits, including single article limits. So, I'm satisfied the fair and reasonable conclusion to this particular point is for Intact to reassess this part of the claim under the contents section, apply any appropriate limits, and settle it in line with the terms and conditions. This will ensure Mrs B receives the benefit of cover she purchased, while keeping Intact's liability within the policy's terms.

Compensation

I recognise Mrs B has found the claim process very stressful and says Intact has delayed resolving certain aspects of the claim. Insurance claims by their very nature are often disruptive and cause a huge amount of inconvenience, and I appreciate the significant disruption a claim of this size would have caused.

I appreciate Mrs B has said Intact took a long time to settle various aspects of her claim, and she feels a total compensation award of £1,200 would be appropriate to reflect the impact their actions had. However, my decision is only considering specific points of the claim, and I'm not considering any impact caused by Intact's handling of other aspects of the claim. I'm therefore only considering the impact in relation to the complaint points I can look at above. And having done so, I'm satisfied a total award of £400 adequately and fairly reflects the impact Intact's actions had on Mrs B.

Conclusion

I don't doubt that this outcome will be disappointing for Mrs B, particularly given the difficulties she's had in dealing with this claim. And I appreciate this is not the amount of compensation Mrs B had hoped for, and it may not ultimately change matters for her. But I consider this award to be appropriate in the circumstances, and I'm satisfied it provides a fair and reasonable outcome in this particular complaint.

My final decision

For the reasons I have outlined above, my final decision is that I uphold this complaint in part. I direct Intact Insurance UK Limited to:

- Reconsider the hot tub claim in line with the contents section of the policy; and
- Pay £400 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 October 2025.

Stephen Howard
Ombudsman