DRN-5606207

The complaint

Ms E has complained about a payment U K Insurance Limited (UKI) made as part of a claim under a home insurance policy.

References to UKI include companies acting on its behalf.

What happened

Ms E made a claim under a home insurance policy. As a number of items were damaged in her home, Ms E asked UKI to make an emergency payment so she could replace some of the items. She provided her bank details. UKI agreed to make the payment but paid the money to her former partner. He was named on the policy, but their relationship had ended and he no longer lived at the property. He refused to give the money to Ms E.

Ms E contacted UKI to discuss what had happened and later complained. She provided further details about her relationship situation and why the money should only have been paid to her. This included that only she needed the emergency payment as it was her items that urgently needed to be replaced in the property to allow basic living standards to be maintained.

When UKI replied to the complaint, it didn't uphold it. It said Ms E's partner was the main policyholder and all payments were sent to him. It said for future payments on the claim, it now required written confirmation of agreement on where they should be sent.

Ms E complained to this Service. Our Investigator upheld the complaint. She said UKI were aware of Ms E's circumstances but made the payment to her former partner. As the person directly impacted, the payment should have been made to her. She said UKI should pay Ms E £350 compensation due to the additional distress and worry this caused her. However, UKI didn't now need to pay Ms E the emergency payment as the claim settlement had been made and it should be dealt with through the disbursement of that payment.

As Ms E didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

I've looked at what happened during the claim. Early in the claim, Ms E asked for an emergency payment and for it to be made to her directly. She provided her bank details for this purpose. The company assessing the claim for UKI recommended that the payment be made and included Ms E's bank details as the payment details. However, UKI made the payment to her former partner.

It's not in dispute that Ms E was the only policyholder that lived at the property. So, I think it's fair to say that she was the person who required the emergency payment to ensure her basic needs could be met while the claim progressed. It's also my understanding that UKI were, to some degree, aware of Ms E's relationship situation and her potential vulnerability. When Ms E found out the payment had been sent to her former partner, this was the first she was aware the payment wouldn't be made to her. She provided UKI with more details of her circumstances and the impact on her.

In my view, if UKI assessed it was unable to make the payment to Ms E, it could have told her this at the time. Ms E could then have raised any concerns before the payment was made. So, I think UKI could have done more to assist Ms E both with her immediate needs, for which the emergency payment was required, and to ensure the position was clear on how payments would be made. So, having thought about this, I think UKI should pay Ms E £350 compensation for the impact on her of how it dealt with the emergency payment. I think it will have come as a shock to Ms E when she found out how the payment had been made. I also think this will have caused Ms E distress and worry at what was already a difficult time.

However, I don't think I can fairly say UKI should now make the emergency payment to Ms E. It has already made that payment, despite it not being to Ms E. It was an early payment of some of the claim settlement. Since then, things have moved on. This included that when UKI responded to the complaint, it said it required written confirmation of where future payments should be paid, which I think was fair in the circumstances. It's my understanding that such an agreement is in place. If Ms E doesn't think UKI has made payments in line with what was later agreed, she would need to raise this with UKI. Any claim settlement payments, other than the emergency payment, were after the date of the response to the complaint I'm dealing with. So, I'm unable to comment on them.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require U K Insurance Limited to pay Ms E £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 3 October 2025.

Louise O'Sullivan
Ombudsman