

The complaint

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

What happened

Mr I and Ms B had a home insurance policy with U K Insurance Limited (UKI). In October 2024, a leak was discovered and repaired (the affected section of the pipe was replaced), in their ensuite bathroom (the bathroom). They made a claim with UKI for the damage caused by the leak.

UKI initially offered a cash settlement of around £6,500. Mr I and Ms B chose to have the repairs carried out by UKI and its agents. UKI appointed a repair agent for the work.

Mr I and Ms B complained in November 2024, because they felt they'd be without the only shower in their home for an unreasonable time, despite their circumstances, including their daughter's vulnerabilities. It was around this time that UKI informed them the work could take up to around eight weeks.

UKI then approved its repair agent's costs, and Mr I and Ms B provided the signed mandate later in November 2024.

UKI issued a complaint response towards the end of November 2024. It accepted there was a delay caused by its repair agent's lead times. It accepted this amounted to poor service and it acknowledged the impact of the delays. It paid Mr I and Ms B £250 compensation.

Mr I and Ms B referred their complaint to the Financial Ombudsman Service. They were unhappy there was still no start date and UKI hadn't paid the cost of the leak repair. They outlined the impact of the delays on their family, and their daughter, given her vulnerabilities. They wanted the bathroom returned to its pre-loss condition, along with an apology and adequate compensation for delays and impact.

In addition to the above, Mr I and Ms B also complained to UKI that it hadn't covered the undamaged tiles in the bathroom and hadn't offered alternative accommodation (AA) in the circumstances.

UKI issued a further complaint response in January 2025. It said the undamaged tiles were not covered under the terms. But it accepted Mr I and Ms B had suffered a loss of expectation because its repair agent had included this work in its schedule of works (SOW). UKI said AA was only provided under the terms when the home was uninhabitable and that it did offer other alternatives, such as a bathroom pod. It paid Mr I and Ms B a further £150 compensation.

The Investigator reviewed the complaint and UKI's complaint responses. They acknowledged the impact of delays on Mr I and Ms B, but they said UKI did make reasonable efforts to meet their needs. They didn't find there was poor service during its calls with Mr I and Ms B. Overall, they said the £400 compensation UKI paid was fair, so

they didn't recommend UKI do anything else.

Mr I and Ms B didn't agree. They were unhappy UKI didn't have recordings of the calls they were concerned with, and they said all the other calls were fine. They also said if UKI had offered a cash settlement in line with what it eventually paid its suppliers, they would've accepted this offer and avoided the time they were without a shower.

Because the complaint couldn't 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.

I should first set out that the Financial Ombudsman Service is a dispute resolution service, not the regulator of the insurance industry. So it's not our role to fine and punish a business, or make a finding of illegality. Our role is to look at whether a business has acted fairly in the circumstances of the complaint and decide what it needs to do where it hasn't.

Mr I and Ms B provided a lot of information in support of their complaint. I assure Mr I and Ms B that I've taken everything they've provided into account. But in this decision, I've focused on what I think are the key issues in this complaint. No discourtesy is intended by this, but it simply reflects the informal nature of the way the Financial Ombudsman Service reviews complaints.

Delays

UKI accepts the repair agent it initially approached had a significantly long lead time. In November 2024, UKI said this could be up to eight weeks. Given the length of the lead time, I think it would've been reasonable for UKI to have considered other repair agents earlier, so I do think it caused some avoidable delay.

In early December 2024, during a call with UKI, Mr I indicated he would prefer to have the initial repair agent removed from the claim, and another repair agent appointed to start work sooner. So, I don't think UKI acted unfairly in arranging for this.

I can see from UKI's notes, in its discussions with Mr I and Ms B in early December 2024, it said it would aim to get the bathroom works done by 20 December 2024. The notes also show UKI said it could do this, if Mr I and Ms B completed their material choices promptly.

From what I can see, Mr I and Ms B provided their material choices on 18 December 2024. I think this meant UKI wasn't reasonably able to order the materials needed until after this, so I don't think UKI caused avoidable delay that meant bathroom works couldn't be completed by 20 December 2024. And because Mr I and Ms B said they'd be away on holiday shortly after this, I don't think it was unreasonable for UKI to arrange for works to start until after they'd returned.

The second repair agent UKI appointed, recommended replacing the wet room setup in the bathroom with a shower tray, for better protection against future leaks. This would require additional work and additional parts, such as a shower tray and shower screen. I think this could fairly be classed as betterment, so I don't think UKI was required to cover the cost of this additional work. I consider, under the terms of the policy, it was only required to return the bathroom to the condition it was in prior to the loss.

From UKI's notes in December 2024, I can see Mr I and Ms B were not happy to pay the

additional costs to replace the wet room, despite the replacement being their preference. But in early January 2025, UKI agreed to cover the additional cost and in doing so, I consider it went beyond what it was required to do. So, I don't think it acted unreasonably in taking time to reach this decision, and I don't think it was reasonably required to have ordered the parts for this earlier. So, I don't think UKI caused avoidable and unreasonable delay here.

Cash settlement

Mr I and Ms B said if UKI had offered a fair cash settlement at the outset, they'd have accepted this and completed the required works to the bathroom sooner.

I think the £6,500 cash settlement UKI offered in October 2024 was unfair. I say this because its notes in January 2025 suggest the costs for the required works exceeded £17,000, before VAT.

But the terms of the policy say UKI can decide to repair the damage using its suppliers. So I don't think UKI was required to offer or pay Mr I and Ms B a cash settlement. And I think it was fair for UKI to proceed with repairs, using its suppliers, in line with the policy terms.

Mr I and Ms B also told us they were quoted £20,000 for labour and £6,000 for materials for the required works. And I can see they expected any settlement to include the undamaged tiles in the bathroom (I've dealt with this further later on). So I can't be sure Mr I and Ms B would've accepted a fairer offer in October 2024, in line with UKI's likely costs, or completed the required works much sooner.

But because I think UKI's initial supplier had an unreasonable lead time, and because I think it ought to have considered another supplier sooner, I do think UKI caused Mr I and Ms B avoidable distress and inconvenience.

Alternative Accommodation (AA)

Mr I and Ms B are unhappy that UKI didn't offer AA in the circumstances of their claim.

The terms of the policy say UKI will only provide AA if their home is uninhabitable. While this may include circumstances where an insured is left without washing facilities, I'm conscious Mr I and Ms B's insurance documents state their home has three bathrooms. And because this means they weren't left without a bathroom, I think UKI acted fairly in deciding their home wasn't uninhabitable.

Mr I and Ms B did inform UKI in November 2024 about their daughter's vulnerabilities, which meant she was unable to use the remaining baths in the home, and required use of the shower in the affected bathroom. Under the rules that apply to UKI, I consider it was required to respond flexibly to the needs of Mr I and Ms B in the circumstances.

Shortly following the above, I can see that UKI did offer Mr I and Ms B a shower pod. Mr I and Ms B said this wouldn't be sufficient as UKI didn't specify how this would work. But I've not seen evidence to show Mr I and Ms B asked UKI for further information about this, before they declined it. So, I don't think UKI did anything wrong here, and in offering a shower pod, I think it responded reasonably to Mr I and Ms B's needs.

On the matter of cash settlement and AA, Mr I and Ms B referred to The Consumer Duty. UKI is required to – amongst other requirements – ensure it treats Mr I and Ms B fairly, delivers a good outcome and avoids causing them foreseeable harm. This is also to be considered in conjunction with its requirements under the contract of insurance – i.e. it must have consideration of ICOBs and Consumer Duty when fulfilling its requirements under the

contract. But I don't think the regulations extend UKI's responsibility to go significantly beyond what the insurance contract required UKI to do in the specific circumstances of this complaint.

Undamaged tiles

Mr I and Ms B complained to UKI because it didn't agree to cover the cost to replace undamaged tiles in the bathroom.

The terms of the policy say UKI won't pay to replace any undamaged items solely because they are part of a set. UKI agreed to cover the cost to replace the tiles in the affected area, this being within the shower cubicle. But it didn't agree to cover the cost to replace the remaining, undamaged wall tiles.

I've reviewed the available evidence, including images of the shower and tiles. And I'm satisfied the damaged tiles in the shower area were different to the undamaged tiles outside this area. But even if they were part of a set, the terms say UKI won't cover any undamaged items. And for this reason, in the circumstances, I don't think UKI acted unfairly in declining cover for the undamaged tiles.

But because UKI's initial repair agent included works to the undamaged tiles in their SOW, I think this caused Mr I and Ms B a loss of expectation. And I think this would've caused them avoidable distress and inconvenience.

Cost to repair the leak

Mr I and Ms B said they disputed UKI's decision not to pay the cost to repair the leak. But under the terms for trace and access and escape of water cover, it says UKI won't cover the cost to repair the source of the leak. And I've not seen evidence to persuade me the cost of this repair was covered under any other part of the policy. So I don't think UKI acted unfairly in declining this part of the claim.

Calls with UKI's agent

Mr I and Ms B said UKI's agent was aggressive and threatening during some calls.

UKI has said it doesn't have recordings of the calls in question. So I've not been able to listen to these conversations. Mr I and Ms B haven't explained why they considered the agent was aggressive and threatening, but I've reviewed UKI's notes, and I can see part of the reasons for the calls was to chase Mr I and Ms B for their material choices. I can also see UKI explained in the calls why the undamaged tiles wouldn't be covered.

While I appreciate there may have been some disagreement during the call, I've not seen enough evidence to persuade me UKI's agent was aggressive and threatening. So I don't think I can reasonably conclude the agent acted unfairly.

Fair compensation

I've explained above why I consider UKI did cause some avoidable delay, and why its actions would've caused Mr I and Ms B avoidable distress and inconvenience.

UKI has already paid Mr I and Ms B £400 compensation. This is in line with an award we'd make where the impact of a business's mistakes caused considerable distress, upset and worry, along with significant inconvenience and disruption over many weeks or months. Taking into account Mr I and Ms B's circumstances, and the impact of UKI's mistakes, I think

the compensation UKI has paid them already is fair and reasonable in the circumstances. So I won't direct it to pay anything else.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I and Ms B to accept or reject my decision before 11 July 2025.

Monjur Alam
Ombudsman