

The complaint

Mr H, Mrs H and Mr H complain Wakam have provided poor customer service when they claimed on their property insurance policy. They say it caused delays and declined to cover their alternative accommodation costs when their home was uninhabitable.

All references to Wakam include its agents.

I note Mr H, Mrs H and Mr H have made a number of complaints to Wakam which it has responded to. This decision relates to the events which have taken place between 5 June 2023 and 26 February 2024 only.

What happened

Mr H, Mrs H and Mr H took out a property insurance policy covering their buildings and contents. As Mr H is the lead policyholder and has brought the complaint on behalf of Mrs H and Mr H, I will refer to him throughout the decision. The policy originally started in March 2022 and renewed on a monthly basis. In November 2022, Mr H returned home after being away and found there had been an escape of water. He's explained the damage to the property meant it was uninhabitable.

Mr H moved into a family member's property which was empty at the time and he's explained this was on the condition of him paying rent of £300 per week. Mr H told Wakam about the alternative accommodation in November 2022 and asked it to cover the cost of his rent.

Mr H says Wakam didn't ask for evidence of the alternative accommodation until around a year later after he chased it for an update. He's explained, up until that point he hadn't paid his family member any rent as they'd agreed he'd pay it when the insurance claim was concluded. As there was no formal rental agreement in place he provided a letter from his family member explaining the amount of rent that was agreed and that he'd pay it on conclusion of the claim.

On receipt of the letter, Wakam declined Mr H's claim for the cost of alternative accommodation. It said it wasn't satisfied Mr H had actually incurred or was going to incur the rental cost. But it said it would provide a disturbance allowance, covering actual extra costs (up to a limit) Mr H had incurred as a result of having to move out of his home.

Mr H wasn't happy with this offer as he said it didn't cover the amount he'd agreed to pay in rent. He was also unhappy with the delays he'd been experiencing in the progress of his claim so he made a complaint.

In its response, Wakam accepted it had caused delays to the progress of Mr H's claim and it offered him £350 to make up for this. It said it had offered Mr H two options for alternative accommodation which it would've covered the cost for but he declined these and said he was happy to stay in his family member's home. But as he hadn't provided acceptable evidence of the rental costs he'd incurred it still didn't agree to cover this.

As the complaint wasn't resolved at that stage, Mr H asked our service to look into things. Our Investigator thought the offer Wakam had made was fair for the delays Mr H had experienced between June 2023 and February 2024. And she didn't think Wakam had acted unreasonably in declining Mr H's claim for the cost of alternative accommodation as he hadn't been able to show there was a formal agreement in place and he hadn't given it the opportunity to consider the accommodation he'd found before he went ahead. Mr H didn't agree with our Investigator's view. He said he'd flagged that he was moving to his family member's property in November 2022 and Wakam didn't request any evidence until around a year later. As the complaint wasn't resolved at that stage, it was 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.

Mr H on behalf of Mrs H, Mr H and himself has provided a great deal of information to explain what's happened. And I thank him for taking the time to do so. I note he's raised many points that are important to him. But the scope of what I can consider in this complaint is as set out above. So I won't comment on it all, although I can assure him I've considered everything very carefully. Having done so, I don't uphold this complaint for broadly the same reasons as our Investigator. I'll explain why.

The terms of the policy say it will cover the additional costs incurred from alternative accommodation which the policyholder has to pay for if their home can't be lived in due to an insured loss.

Wakam has asked Mr H to prove he's incurred the additional costs – rent – that he says he has as a result of having to live somewhere other than his home. And I don't think that's unusual or unreasonable. But Mr H hasn't been able to provide a rental agreement or any other evidence to show he's formally obliged to pay the rent he says he's agreed to – or what action will be taken if he doesn't. It's for policyholders to prove their claim meets the terms of the policy and I don't think Mr H has shown he's incurred the costs – or will incur the costs – he's claiming. So I don't think he's evidenced his claim here.

I appreciate Mr H has given us and Wakam a letter from his family member which says he's agreed to pay £300 per week to live in their home. And they've agreed not to collect any rent until the insurance claim is settled. But Wakam has queried whether Mr H would still have to cover the rent even if it declines that part of the claim. And considering there's no formal agreement in place, I can see why it's questioned this.

The purpose of alternative accommodation cover is to pay for the reasonable, additional, actual cost of temporarily rehousing policyholders and family members when their homes become uninhabitable. And from what I've seen in this case, I'm not satisfied Mr H has shown these are actual costs he's incurred. So I don't think Wakam has unfairly declined this part of the claim.

Mr H has complained Wakam has caused unreasonable delays to the progress of his claim. Wakam accepts this and has offered him £350 to make up for it. In his testimony, Mr H has referred to delays throughout the claim which I understand has been going on for some time now. But this decision covers what happened from June 2023 to February 2024 only. And considering the delays caused during this time, I'm satisfied the offer Wakam has made Mr H, Mrs H and Mr H is fair to make up for this. So I don't think it needs to do anything more.

My final decision

It is my final decision that I don't uphold this complaint or require Wakam to do anything more than pay the £350 it's already offered to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H, Mrs H and Mr H to accept or reject my decision before 15 August 2025.

Nadya Neve
Ombudsman