

The complaint

Miss D complains about the way U K Insurance Limited trading as Direct Line (“UKI”) managed her landlord insurance policy.

What happened

Miss D owns a property that she rents to tenants. She has a landlord’s insurance policy in respect of that property and she is the policyholder. She also has property she rents to tenants through a limited company. She’s the sole director of the company, and has other insurance policies with UKI where the company is the policyholder.

Miss D made a claim on her policy relating to the property she rents to tenants. UKI arranged for a surveyor to inspect the property. She complained that UKI’s correspondence referred to the limited company, which is not the policyholder of this policy, and that when speaking to her tenants, the surveyor incorrectly told them the limited company was the landlord.

UKI said:

- Miss D set up a client file in 2017 using its online system and added the name of the limited company as the client name. There were three policies added to the system.
- The system defaults to the owner named on the client file and this feeds through to its claims system. This is why the limited company was referred to in the claim.
- It has now amended the client name to her individual name.
- it hasn’t done anything wrong, as it used the information recorded by Miss D, and there has not been any data breach.

When Miss D referred the complaint to this Service, our investigator said UKI should have checked which policy the claim related to and who the policyholder was.

The investigator asked UKI to pay compensation of £150 for the distress and inconvenience caused to Miss D. UKI didn’t agree and requested an ombudsman’s decision.

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 relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim.

Miss D has referred to a possible breach of data protection rules. That’s not something I can determine. But information about her was being handled in relation to her insurance claim and I can consider whether the claim was dealt with fairly.

I don’t think UKI dealt with the claim in a reasonable way, for the following reasons:

- I appreciate that the information recorded on UKI's system was initially provided by Miss D. But she has a number of policies, in her own name and in the name of her limited company. When a claim is made, an insurer would need to check which policy applies and who the policyholder is, to ensure it's dealing with right customer and the claim is handled in line with the correct policy terms.
- Miss D may be the sole director of the limited company, but the company is a separate legal person. It's reasonable for her to expect that if she makes a claim on her own policy it would be dealt with in her name, not as a claim by a different policyholder which has its own, separate insurance.
- The fact this wasn't confirmed led to some confusion and to incorrect information being given to her tenant, which she then had to clear up. This would not have happened if her details had been checked and if UKI had identified the correct policy and policyholder.
- Miss D also received correspondence from an agent of UKI addressed to an entirely different customer, which left her worried about how personal information was being handled.

The way the claim was handled caused Miss D some distress and she was put to some trouble getting things sorted out. I think a payment of £150 would be fair to acknowledge this.

My final decision

I uphold the complaint and direct U K Insurance Limited trading as Direct Line to pay £150 compensation to Miss D for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 24 July 2025.

Peter Whiteley
Ombudsman