

The complaint

Mr K and Mrs K complain about the way U K Insurance Limited (UKI) have handled the claim they made under their building insurance policy.

This complaint has been bought by both Mr K and Mrs K, but as Mr K has been leading in this complaint and for ease, I've referred to him throughout.

What happened

The circumstances of this complaint will be well known to all parties and so I've summarised events. In February 2024 Mr K discovered a leak at his property which was subsequently repaired. He reported a claim to UKI under his building insurance policy. UKI arranged for its contractor to attend Mr K's property and carry out drying works. Once the drying works were complete Mr K provided a quote from his own contractor for the reinstatement works. In July 2024 UKI instructed a loss adjustor to attend Mr K's property and prepare a schedule of works.

In August 2024 Mr K raised a complaint with UKI about the way his claim was being handled and the length of time it was taking.

In the meantime, an electrician attended Mr K's property, but he was unaware the electrician needed to remain at the property all day. The electrician re-attended Mr K's property in September 2024.

In October 2024 UKI offered Mr K a settlement for the repairs to his property. It offered Mr K a settlement of around £4,300 for building works and £2,800 for electrical works. It said this didn't include repairs to the staircase and a cost for this would be submitted separately. Mr K felt the settlement was too low and asked for a breakdown of the schedule of works.

In November 2024 UKI offered Mr K another settlement. The settlement was for around £6,700 for building works and £2,100 for electrical works. Mr K didn't accept this settlement. He said UKI had failed to strip the property appropriately before drying was carried out and so there was additional damage which hadn't been included within the scope of repairs. Mr K hadn't received a final response to his complaint and so referred his complaint to this Service.

On 13 January 2025 UKI issued Mr K with a final response to his complaint. It said it was satisfied the settlement Mr K had been offered was correct. It said Mr K had experienced significant delays in his claim, received poor communication, had unnecessary supplier visits and had to wait longer than he should have done to receive reports he had requested. It paid Mr K £700 compensation as an apology. Mr K didn't think this was reasonable.

Our investigator looked into things. He said he thought the cash settlement Mr K had been offered was reasonable in the circumstances. However, he thought it was reasonable for UKI to arrange its contractors to check the areas Mr K had said hadn't been stripped and reviewed for potential damage. He said he thought the £700 compensation UKI had paid was reasonable in the circumstances.

Mr K didn't agree with our investigator. He said he had paid for strip out works to be carried out and appointed a loss assessor who highlighted areas of damage which had been missed by UKI. He said UKI's contractors had attended on multiple occasions and so couldn't accept having to repeat the process all over again.

I issued a provisional decision about this complaint, and I said:

'I want to acknowledge I've summarised Mr K's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr K and UKI I've read and considered everything that's been provided.'

I also want to be clear about what I've considered as part of this decision. I've considered the events which took place before UKI issued Mr K its final response on 13 January 2025. I'm aware Mr K has experienced issues with UKI following this and was looking to raise this as a separate complaint. If he remains unsatisfied with UKI's response to further complaints he can look to refer this to this Service.

Mr K has also raised issues with the way UKI were looking to settle certain parts of the repair, such as the electrical repairs necessary. As Mr K's claim hasn't yet been finalised, I don't consider it appropriate to comment on these elements of Mr K's complaint. Therefore, I've focussed my decision on the event which have taken place up to UKI's final response of 13 January 2025 and which have been finalised. I've addressed the key points separately.

Settlement offers

Mr K has said the settlement offers UKI have made weren't sufficient for the repairs to be carried out, and didn't include areas of damage which were caused by the escape of water. UKI made two settlement offers to Mr K during the period of this complaint. One in October 2024 and another in November 2024. UKI have said the settlement offer it made was reasonable.

Since UKI issued its final response to Mr K in January 2025, it has offered Mr K an increased settlement. It has also said it has instructed a surveyor as Mr K has challenged the settlement. As this has happened following UKI issuing its final response in January 2025, I'm not able to comment on this as part of this decision. However, I can comment on whether the settlement offers UKI made to Mr K in October and November 2024 were reasonable based on the evidence available to it at that time.

Based on the evidence provided, I'm not persuaded UKI have been able to demonstrate the settlement offers it made to Mr K were reasonable. It hasn't been able to provide a schedule of works to show how it reached the settlement figure it offered Mr K in November 2024. As UKI haven't been able to provide any evidence to support the settlement figure it has offered, I'm not persuaded it was a reasonable one.

I think Mr K has been caused distress and inconvenience due to UKI offering a settlement offer it hasn't been able to demonstrate was sufficient for the repairs to be carried out on his property. Mr K has spent unnecessary time challenging the settlement and it has delayed his ability to have the repairs carried out to his property. Therefore, I've taken this into consideration when deciding reasonable compensation.

Failure to strip property

Mr K has said UKI failed to strip the property correctly. He has said the carpets were drenched and so should have been removed from the property to allow for appropriate drying and assessment of the damage. I'm aware following UKI's final response in January 2025, Mr K has arranged for the property to be stripped further and submitted costs to UKI to consider.

UKI have said its contractor completed the drying of Mr K's property and didn't consider it necessary for the carpets to be removed. It said it offered for its contractor to revisit Mr K's property to review the areas of concern, but this was refused by Mr K. It has said it is awaiting its surveyor's report.

Based on the evidence provided I've not seen sufficient evidence to say UKI should have removed the carpets before carrying out the drying works. UKI's contractor completed the drying at Mr K's property in May 2024 and hadn't removed the carpets, and I don't think it's unreasonable for UKI to rely on the opinion of its drying specialist. UKI also offered for its contractor to attend Mr K's property in November 2024 to review the areas of concern. I appreciate Mr K refused this as a number of UKI's contractors had already attended his property on more than one occasion, however I think it was reasonable UKI offered Mr K the opportunity to have the contractors revisit the property.

In any event, I understand Mr K has arranged for further strip out works to be carried out and submitted additional costs to UKI for damage he has said was missed. If Mr K is unhappy these costs aren't met or experiences further issues, he can look to raise this as a separate complaint to UKI.

Claim handling

UKI have acknowledged it hasn't handled Mr K's claim as it should have done. So, it has paid Mr K £700 compensation to acknowledge the distress and inconvenience this has caused. Therefore, I've considered whether this is reasonable to acknowledge the impact to Mr K.

I don't intend to list every error UKI have made during Mr K's claim, particularly as it has acknowledged a number of the errors it has made. However I think a number of these errors have caused Mr K unnecessary distress and inconvenience. Some of these errors include:

- Unreasonable delays of several months and a lack of progression in Mr K's claim.*
- A poor standard of communication throughout Mr K's claim.*
- Unnecessary visits from UKI's contractors and visits having to be rearranged.*
- A delay in providing Mr K with the reports he had requested following the settlement being issued to him.*

Given the damage to Mr K's property, I think he would have always experienced some distress and inconvenience even had everything gone smoothly. However, I think the way UKI have handled Mr K's claim has exacerbated the distress and inconvenience he has experienced. He has spent considerable extra time dealing with his claim. And he has been living in a property requiring repair, and without use of one of his bathrooms for much longer than he should have done.

I think £700 compensation is reasonable to acknowledge the distress and

inconvenience Mr K has been caused due to the errors UKI have taken responsibility for. However I don't think it fairly takes into consideration the additional distress and inconvenience Mr K has been caused due to the unreasonable settlement it offered him in November 2024. As explained, UKI haven't been able to demonstrate this offer was a reasonable one, and so it has caused further delays in Mr K's claim being settled, and Mr K has had to spend time challenging it. Therefore, I think UKI should pay a further £150 compensation to acknowledge the additional distress and inconvenience it has caused.

I acknowledge this will be frustrating for Mr K as he just wants to be able to have his property repaired. However, as explained Mr K's claim is ongoing and I've only been able to consider the events which occurred up to UKI's final response of 13 January 2025.'

UKI accepted my provisional decision. Mr K provided a detailed response but in summary he said it had been confirmed by UKI's contractor that the carpets needed replacing and so UKI were aware they needed to be stripped. He has said he had to carry out repairs to his property as he was unable to wait for UKI to carry this out, particularly given the health of his mother. He also said he is willing for a surveyor to visit his property, but this could have been done at the end of January 2025 when UKI visited his property.

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've reached the same outcome to the one I have previously for much the same reasons.

Mr K has said UKI were aware the carpets needed to be replaced and so should have arranged for them to be stripped. As explained, I don't think it was unreasonable for UKI to rely on its drying specialist who decided the carpets didn't require stripping prior to drying. UKI also offered for its drying specialist to re-attend Mr K's property to review any areas of concern Mr K had, but this was declined by Mr K.

In any event, regardless of whether Mr K's carpets should have been stripped prior to UKI preparing a schedule of works and offering a settlement, I'm not persuaded the settlement it offered in November 2024 was a reasonable one. So, I've taken this into consideration when deciding reasonable compensation.

Following UKI issuing Mr K with its final response to his complaint, he arranged for further strip out works to be completed and submitted additional costs for UKI to consider. As explained, if Mr K is unhappy these additional costs aren't met, he can raise this as a separate complaint to UKI. Similarly, if Mr K has arranged for repairs to be completed, he should submit these costs to UKI to consider if he hasn't done so already.

Mr K has said he is willing for UKI's surveyor to attend his property, but has said this could have been arranged at the end of January 2025. As this was after UKI's final response of 13 January 2025 I've not considered this as part of this decision. Again, if Mr K is unhappy with the actions of UKI following its final response of 13 January 2025, he would need to raise this as a separate complaint.

As explained, I don't think UKI have treated Mr K fairly and so think it should pay him compensation to acknowledge the distress and inconvenience its errors have caused. For the reasons I've explained, I think it should pay Mr K an additional £150 compensation,

bringing the total compensation due to £850.

My final decision

For the reasons I've outline above, I uphold Mr K and Mrs K's complaint about U K Insurance Limited. I require it to pay Mr K and Mrs K a further £150 compensation, bringing the total compensation due to £850.

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

Andrew Clarke
Ombudsman