

The complaint

Mrs K and Mr M complain about the way U K Insurance Limited trading as Direct Line (UKI) handled an escape of water claim under a buildings insurance policy.

Mr M has brought the complaint to our Service, so for ease of reading, I'll refer to Mr M throughout my decision.

What happened

The details of this complaint are known to the parties, so I won't repeat them in detail. But to summarise, Mr M held buildings insurance with UKI. This covered, amongst other things, the cost of putting right claim-related damage to the buildings as the result of an insured event. Mr M complained to UKI about the way it handled a suspected escape of water claim.

Mr M said he noted a pressure drop in the central heating system, a plumber ruled out a boiler issue, but an escape of water was suspected, even though there were no obvious signs of water damage to the buildings. Mr M said UKI declined to assist him with tracing and accessing the leak because no damage to the buildings was being caused at that time. Mr M didn't think that was fair. He also said UKI later changed its mind, it appointed an agent unnecessarily who's findings were incorrect, it prolonged the claim leading to a longer period without heating or hot water, and communication was poor.

UKI said, in brief, its decision not to assist with the claim initially was fair based on the information available to it at the time, and in line with the policy terms. And once Mr M confirmed damage was being caused, it appointed an agent to validate the claim which the policy allowed it to, their conclusions were broadly in line with that of Mr M's own contractor, and once the leak was repaired it settled the claim in line with the policy terms. Mr M remained unhappy, so he asked our Service for an impartial review.

An Investigator didn't recommend the complaint be upheld as he was satisfied UKI handled matters fairly and in line with the policy terms. And while UKI failed to call Mr M when it said it would, he wasn't persuaded UKI caused material avoidable delays. Mr M didn't agree, so I must decide the complaint.

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 overall conclusion to that of the Investigator. I am satisfied UKI treated Mr M fairly. I say this for the following key reasons:

- The trace and access section of the policy Mr M was requesting UKI to engage only responds where damage is caused to the buildings. Mr M became aware of a problem following a drop in the central heating system pressure, rather than evidence of an escape of water damaging the buildings. Therefore, it follows in the absence of damage to the buildings when Mr M reported the claim on 3 February 2025, I find it

was fair and reasonable for UKI to decline to assist Mr M based on the information available to it at that time.

- On 6 February 2025, Mr M informed UKI his contractor confirmed damage was being caused to the buildings. UKI therefore appointed an agent to attend the property and validate the claim. This is fairly common practice and, ultimately, the policy allowed UKI to do this. UKI's agent attended on 10 February 2025 and provided UKI with their report the next day. UKI said the findings of its agent were broadly consistent with that of Mr M's contractor, where both reports also included a provision for removing a boiler, which wasn't eventually needed, nor was the requirement for UKI to undertake drying.
- The source of the escape of water was repaired by Mr M's contractor around early-March 2025. Mr M was aware this was his responsibility to arrange this repair. UKI then opted to cash settle the claim by reimbursing the claim-related costs Mr M incurred. I find this was a fair and reasonable way for UKI to settle the claim because the policy ultimately allowed it to do this.
- Mr M said UKI took far too long to deal with this claim, it was more of a hinderance, and this matter was an emergency. The claim was raised through Mr M's home insurance policy while requesting assistance to trace a suspected escape of water, and a buildings policy isn't intended to provide an emergency service. The incident required further investigation following Mr M's initial 3 February 2025 call to UKI, and the eventual costs involved in resolving the claim meant it was appropriate to be considered under the buildings insurance policy in any event.
- I recognise Mr M was without a central heating system during this period. And I've no doubt UKI's initial decision not to assist him would have been frustrating – meaning he had to instruct his own contractor to undertake investigations, and progress matters further. But because I am satisfied UKI handled this matter fairly and in line with the policy terms, it follows I am not persuaded UKI were responsible for causing material avoidable delays.

In conclusion, I find UKI handled this matter fairly and settled it in line with the policy terms. It follows I don't uphold the complaint because I am satisfied UKI treated Mr M fairly. I accept my decision will disappoint Mr M. But it ends what we – in attempting to informally resolve his dispute with UKI – can do for him.

My final decision

For the reasons mentioned above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr M to accept or reject my decision before 20 November 2025.

Liam Hickey
Ombudsman