

## The complaint

Miss B and Mr M are unhappy with the service provided by U K Insurance Limited trading as Churchill Insurance policies (UKI) following a claim made on their home insurance policy.

Miss B and Mr M are both party to this complaint. Mr M has primarily dealt with this service. For ease of reference, I have referred to Mr M throughout this final decision.

UKI is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. UKI has accepted it is accountable for the actions of third parties instructed by it. In my decision, any reference to UKI includes the actions of any third party instructed by UKI during Mr M's claim.

## What happened

Mr M contacted UKI in January 2024 to make a claim following a flood incident causing damage to his home. The events following Mr M's claim are well-known to both Mr M and UKI, so I haven't repeated them in detail here.

To summarise, Mr M complained to UKI about several aspects of its claim handling, including poor communication and poor workmanship. UKI responded to Mr M's complaint in September 2024, awarding £800 compensation in recognition of the impact on Mr M because of its poor claim handling. Mr M wasn't happy with this response and referred his complaint to the Financial Ombudsman Service.

The Investigator considered the evidence and said UKI needed to do more to put things right. The Investigator said UKI had taken positive steps to address Mr M's complaint, but the compensation amount should be increased to £1,200.

UKI accepted the Investigator's findings. Mr M didn't, saying '*The extra £200 each does not even remotely reflect the amount of stress, inconvenience and monetary loss we endured from UK Insurance Limited and would still like to pursue our first request*'. As the complaint couldn't be resolved it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Firstly, I note Mr M's comments about his personal circumstances, including the all-encompassing impact on his health and well-being, following the flood incident and UKI's handling of his claim. I'm empathetic to all that Mr M has explained, and I would like to thank

Mr M for taking the time to share this information with me. As I understand this cannot be easy to share.

Whilst I accept that claims of this nature do often take some time to properly scope out and remediate, I don't think the service provided when dealing with this claim has been reasonable. UKI accept this fact. I note UKI has already agreed to several actions to address what went wrong with the handling of the claim. This includes paying for the cost of damaged furniture and replacing the kitchen using Mr M's own supplier. The dispute now relates to the award of compensation that should be paid in recognition of what went wrong, and the impact on Mr M.

The Investigator recommended UKI increase its offer of compensation from £800 to £1,200 in recognition of UKI's poor claim handling and the impact on Mr M for the period between January to September 2024. Mr M says this should be closer to £5,000. I recognise the disappointment it'll bring, but I'm satisfied £1,200 is fair and reasonable compensation. I hope my findings go some way in explaining why I've reached this decision.

I recognise Mr M's strength in feeling, and what he has explained, about why UKI should pay more to put things right. I won't go into the detail of when any specific poor communication happened, or delays in progressing Mr M's claim. I am overall persuaded that UKI could've done more to progress Mr M's claim more effectively and proactively than it did. And UKI also accept what has been explained about its poor claim handling.

This was a complex claim with many competing demands to manage. I recognise that there were always going to be challenges in managing the claim, and meeting timescales. But given what repeatedly went wrong with the handling of the claim, I think the level of distress and inconvenience suffered by Mr M goes beyond what we'd expect for a claim of this type.

I've considered our award bands and what we direct when things go wrong. Our award bands aren't designed to punish a business. When we look at what has gone wrong with the handling of a claim, our focus is the impact on the individual consumer. So, we consider things like the impact on their livelihood, health, and well-being. And specifically, how the business's poor claim handling is responsible for what has happened.

I'm persuaded UKI's repetitive failings on the claim caused a lasting impact on Mr M in different ways. Mr M felt the emotional burden of continual poor interactions with UKI representatives- from contractors not doing what they should be doing (by failing to complete repairs to an agreed standard), taking on the challenge of managing reinstatement works, and moving from different alternative accommodation places on multiple occasions over a short period. I think it's important to recognise the multiple failings on the case, and the impact on Mr M each time his trust in UKI's ability to complete proper repairs was tested.

I'm mindful that claims of this size and complexity can cause upset and frustration, even when things go as they should. But it's evident UKI's service was poor for large parts of the claim. It could've communicated better, shown more proactive management of the claim, and acted more expediently in reaching decisions on the claim. These failings have all led to undue distress and inconvenience being caused to Mr M over a prolonged period.

I recognise UKI acted reasonably in trying to address Mr M's concerns. This includes taking positive and practical steps to put things right once Mr M made his complaints known. But this happened much later in the claim, and after Mr M had already suffered from the emotional and practical consequences of UKI's poor claim handling.

Having considered what has happened, alongside our award bands, I'm persuaded £1,200 compensation is fair and reasonable, and in line with what we'd direct in the circumstances.

This amount recognises the repeated patterns of poor service over an extended period whilst UKI was managing the claim. It also recognises what our award bands are designed to cover, and the steps already taken by UKI to put things right in resolution of Mr M's complaint. So, I'll be directing UKI pay £1,200 if it hasn't done so already.

### **Putting things right**

The Investigator recommended an additional payment of £400, to bring total compensation to £1,200, in recognition of the impact on Mr M and Miss B as a result of the poor service provided by UKI. This compensation is fair and in line with what I would direct.

### **My final decision**

For the reasons provided I uphold this complaint.

I direct U K Insurance Limited trading as Churchill Insurance policies to pay Mr M and Miss B £1,200 compensation, for distress and inconvenience, in total. If any of this amount has already been paid, UKI is directed to pay the outstanding amount only.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr M to accept or reject my decision before 18 September 2025.

Neeta Karelia  
**Ombudsman**