

The complaint

Mr F and Mrs F complain U K Insurance Limited (UKI) have declined the claim they made under their home insurance policy.

This complaint has been brought by both Mr F and Mrs F, but as Mr F is the policyholder, and for ease, I've referred to him throughout.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

In March 2022 Mr F reported a claim to UKI under his home insurance policy. He explained water had been entering his property since August 2020 and so he had carried out works to identify the cause. He said he believed the source of the flooding had now been located and been resolved.

UKI declined Mr F's claim as it said Mr F's policy had been retrospectively cancelled back to July 2020, and so there was no cover in place at the time of the claim. Mr F raised a complaint about this decision but in October 2022 UKI issued a final response maintaining its decision. Mr F referred his complaint to this Service.

An ombudsman at this Service issued a decision and concluded it wasn't reasonable for UKI to decline Mr F's claim. He said he required UKI to re-consider Mr F's claim against the terms of the policy and pay Mr F £500 compensation. This was accepted by Mr F. This complaint is in relation to the events which occurred following this.

UKI re-considered Mr F's claim but declined it. It said Mr F hadn't notified it of the claim until 20 months after the alleged event. It said in view of the time that had passed since the loss and notification it was unable to establish an insured event had taken place or that the repairs Mr F had carried out were related to this. Mr F didn't think this was reasonable and so raised a complaint.

On 24 July 2024 UKI issued Mr F with a final response to his complaint. It said it was maintaining its decision to decline Mr F's claim for the reasons set out previously. Mr F referred his complaint to this Service. Along with the decline of his claim, he said UKI had altered call recordings.

Our investigator looked into things. She said based on the evidence provided, she thought on balance Mr F had shown an insured event had taken place. However, she said she didn't think Mr F had reported a claim to UKI as soon as possible, as required by the terms of the policy. She said she thought given the extent of the extensive strip-out works, excavation and renovations Mr F had carried out prior to notifying UKI, he had prejudiced its position. She said UKI had lost the opportunity to manage the claim and the costs. So, she thought it was reasonable UKI had declined Mr F's claim. She said she acknowledged Mr F and UKI's call recordings differed slightly but was satisfied this was due to a bad line, not because it had been altered.

Mr F didn't agree with our investigator. He provided a detailed response but in summary he said:

- He agreed he had shown an insured event had taken place.
- He made UKI aware of the damp and mould in his property in August and September 2020, and so it should have sent a loss adjuster to his property at this point.
- He hadn't breached the policy conditions and he disagreed he had prejudiced UKI's position.
- His property is suffering from subsidence which he first mentioned to UKI in 2022.
- He thought UKI should pay him for the full rebuild cost of his property.
- He didn't think UKI's voice recordings were an acceptable record of the conversations which took place.

As Mr F didn't agree with our investigator the complaint has been 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.

I want to acknowledge I've summarised Mr F'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 F and UKI I've read and considered everything that's been provided.

The relevant rules and industry guidance explain UKI shouldn't unreasonably reject a claim.

The terms of Mr F's policy include claim conditions. The claim conditions in Mr F's policy state:

'Reporting claims

When you find out about anything you need to claim for, or may need to claim for, you must tell us as soon as possible.'

If you don't follow our claim conditions, and this negatively affects our position:

- *We will reject your claim or be unable to deal with it, or*
- *We will not pay your claim in full.'*

UKI has said Mr F first reported the claim to it in March 2022, explaining the alleged flooding took place in August 2020. Mr F disagrees and has said Mrs F made UKI aware of the issue in August and September 2020, but it failed to send a loss adjuster at this time.

I've listened to the calls Mrs F had with UKI in August and September 2020. In August 2020 Mrs F tells UKI they were looking to change the policy as they were doing work on the property. There was no mention of what this work was, or that it could be related to an

insured event.

In September 2020 Mrs F called to make UKI aware there was an error on the policy documents she had received. During this conversation the advisor asked Mrs F why she wasn't staying in the property at the moment, and she said it had damp and mould so it wasn't habitable. She was then asked if she will be moving back into the property and she said she didn't know as she hadn't established what the problem was yet.

Based on the call recordings provided I don't think Mrs F made UKI aware she was looking to submit a claim under the policy. Mrs F had called to make a correction on the policy and not to report a claim. She gave no indication she was looking to report a claim, or that she wanted UKI to arrange someone to visit her property. I wouldn't have expected UKI to have logged a claim for Mr F based on this conversation, so I don't think it's reasonable to say Mr F made UKI aware of a potential claim at this stage.

I'm satisfied Mr F first reported his claim, or potential claim in March 2022. So, I've considered whether Mr F told UKI he may need to claim as soon as possible, and if not, whether this has prejudiced its position.

At the point Mr F reported his claim to UKI in March 2022 he had carried out extensive works to his property in order to identify and resolve the issue. Between August 2020 and March 2022 Mr F excavated the drains so they could be investigated for issues. He then installed a land drain to the front of the property as well as removing the flooring from several rooms in the property. He then carried out further excavations and installed a land drain to the side of the property.

Mr F has also provided a photograph he said was taken in July 2021 following a heavy rain event. The photograph shows water on the subfloor of the kitchen. However, I note Mr F didn't report this to UKI for around another eight months.

So, based on the evidence provided I don't think Mr F reported his claim to UKI as soon as possible. Mr F had experienced water ingress into his property on more than one occasion over an extended period of time, and had carried out extensive investigations and repairs to his property. I think this is something Mr F should have reported to UKI much sooner than he did if he was intending to submit a claim.

UKI has said the delay in Mr F reporting the claim to it has meant it has been unable to identify whether an insured peril has taken place or that the repairs carried out by Mr F relate to this.

Whilst I think it's possible an insured event has taken place, I think the delay in Mr F reporting this to UKI, and the extensive repairs he carried out prior to March 2022 has prejudiced UKI's position. UKI was unable to investigate the cause of the water ingress from August 2020 and is unable to assess the extent of the damage which may have been caused by this ingress. The loss adjuster who visited Mr F's property has said in their report that if UKI had been involved in 2020, it wouldn't have necessarily resulted in the extensive works which have been carried out.

Based on the evidence provided, I think it was reasonable for UKI to decline to deal with Mr F's claim for the water ingress into his property. I think the delay in reporting the claim to UKI, and the extensive repairs carried out prior to this has prejudiced UKI's position, and to require it to now deal with Mr F's claim would be unreasonable.

Mr F has said he thinks UKI have edited recordings, and they aren't an acceptable record of the conversations which took place. However, I can see Mr F has raised this with this

Service previously and another ombudsman addressed it in a previous final decision. Therefore, I won't be commenting on this again as part of this decision.

Mr F has provided photographs of his property which appear to show cracking across several areas. Whilst I appreciate Mr F has said he previously made UKI aware of this in 2022, and had discussions with the loss adjuster about the cracking, I can't see any mention of cracks in the loss adjuster's report. Nor have I seen evidence this has been logged as a claim. If Mr F believes his property is now suffering from subsidence or another insured peril he should look to report this to UKI as a claim so it can review this.

Mr F has also said UKI incorrectly recorded that his other property had suffered from a flood which impacted his ability to insure the property. I can't see this was something which has been raised with UKI as part of this complaint and so I've not considered it as part of this decision. Mr F would need to raise this as a separate complaint with UKI in the first instance.

I know this will be disappointing for Mr F, but for the reasons I've explained I don't think UKI have unfairly declined his claim.

My final decision

For the reasons I've outlined above I don't uphold Mr F and Mrs F's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 27 October 2025.

Andrew Clarke
Ombudsman