

The complaint

Miss B is unhappy with how U K Insurance Limited trading as Privilege Home Insurance (UKI) settled a claim made for storm damage under her buildings insurance policy.

Any reference to UKI includes its agents.

What happened

In February 2025, Miss B phoned UKI to tell it that her property had been damaged because her neighbours' garage roof had been torn off in storm conditions. As well as causing damage to the roof of the utility room, door and window frames, some garden furniture was also damaged. Miss B says she understood from this call that UKI intended to recover costs from her neighbour's insurance, so she wouldn't be financially impacted by making the claim.

UKI settled the claim for damage to Miss B's home but said its contribution to the damaged garden furniture was limited to £500. UKI later told Miss B it couldn't recover its costs from her neighbour's insurance company. Unhappy with this decision and the potential financial impact because of it, Miss B complained.

UKI responded to Miss B's complaint in April 2025. It acknowledged Miss B had asked for updates on the progress of her claim and UKI paid £100 in respect of this. UKI noted the buildings part of Miss B's claim had been settled and said the decision to apply the policy limit to the contents stored in the garden was appropriate. UKI said there was no potential to recover the costs from her neighbour's insurance company.

Miss B was unhappy with UKI's response so referred her concerns to the Financial Ombudsman Service. Her concerns were considered by one of our investigators who said UKI had acted fairly in the circumstances, and she wasn't going to require it to take any further action. Miss B didn't agree and said she should have been told her neighbour wasn't covered by their insurance policy and, had she known this, she'd have taken legal action. Miss B said to put things right, she wanted the claim removed from all records. This case 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.

However, having considered the available information, I've reached the same conclusion as our investigator and for largely the same reasons

There are two key areas of concern Miss B has complained about. The first is the information given when she logged the claim and poor service. The second is how UKI applied the policy terms to the part of Miss B's claim for the damaged garden furniture.

I've considered the information UKI gave to Miss B when she notified it of the damage to her property. I've started by listening to the call when Miss B notified UKI of the damage. During

this initial call, UKI told Miss B that the recoveries department would try (my emphasis) and recover the costs from her neighbours' insurance company. The agent went on to say, *"if the recovery is successful through your neighbour's insurance, it would restore your no claims bonus and return the excess"*.

Miss B set out her concerns about the potential financial impact on her, whilst noting the damage to her home needed to be repaired urgently. I'm satisfied UKI understood Miss B's concerns and in return was clear that the recovery of costs could be attempted and, if successful, this might result in the no claims bonus being restored and the excess being returned.

However, during that initial call I didn't hear UKI offering any assurances Miss B's preferred outcome of full recovery with no financial impact to her would definitely be achieved. I'm satisfied UKI fairly and clearly set out the consequences of proceeding with the claim, that it didn't guarantee recovery, and Miss B chose to proceed with the claim.

Miss B also mentioned in some of her emails to this Service that UKI ought to have told her if her neighbour wasn't insured. I can't see UKI have told Miss B this, only that recovery from her neighbours' insurer wasn't possible. I wouldn't expect UKI to have provided information about whether a third-party was insured to Miss B.

Ultimately, it was for UKI to decide if there was a reasonable prospect of success in recovering its costs. UKI set out why this wasn't possible to both this Service and to Miss B. UKI said the storm conditions recorded at the time of the damage meant that it wasn't possible to show the cause of the damage was negligence relating to how the garage roof had been secured, rather than the storm conditions. I'm satisfied this is reasonable and I'm not going to require UKI to take any further action in respect of how it settled or recorded this claim.

I've listened to the call where Miss B said UKI's adviser laughed at her. This was a stressful and difficult time for Miss B who set out that she was dealing with the disappointment of what seemed to be, in her mind, avoidable damage to her home which had just had works carried out to it. To have had her home finished and then damaged in the way Miss B described would be upsetting. However, I didn't hear anyone laughing at Miss B, or her situation.

I'll turn now to the second part of Miss B's complaint, which is how UKI settled the claim for damage to the contents in her garden. The policy documents show this part of Miss B's policy had a limit of £500 for contents stored outdoors. So, whilst it's very unfortunate the garden furniture damaged in the storm cost more than this, I don't consider UKI have unfairly applied the policy limit. Given UKI was entitled to deduct the £200 excess from the cash settlement but chose not to because the furniture cost more than the policy limit, I'm not going to require it to do anything more to put things right – as Miss B has essentially had £200 more than she was entitled under the policy terms.

UKI acknowledged some delays in handling Miss B's claim and paid £100 in recognition of this. I'm satisfied this is fair compensation to recognise the additional distress caused by the delays already identified. That being said, it's important to note the situation itself was stressful, but I wouldn't expect UKI to compensate Miss B for the fact she found herself in a situation where she needed to make a claim in the first instance. I'm satisfied UKI has paid fair compensation for the impact its handling of the claim had on Miss B and I'm not going to require it to pay more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 October 2025.

Emma Hawkins
Ombudsman