

The complaint

Mrs G has complained that U K Insurance Limited (“UKI”) provided a poor service when she made a claim following an escape of water.

Any reference to UKI in this decision includes its appointed agents and representatives.

Mrs G has been represented by others during the course of this complaint. For ease I’ll refer to the representatives’ comments and actions as Mrs G’s own.

What happened

In December 2022, Mrs G made a claim under her Home Plus insurance policy with UKI when there was an escape of water at a property she owns and rents out.

Significant damage occurred throughout the property and UKI accepted the claim, but Mrs G said the property was left for three months before anything happened. In March 2023 a surveyor attended to inspect the property and dehumidification works were arranged.

Mrs G says the property wasn’t safe to enter due to collapsing ceilings and suspected asbestos. And she also says further damage occurred to her property and contents due to the damp conditions which were left untreated.

Reinstatement works began in September 2023 but then stopped in January 2024. Mrs G said she had to chase contractors on many occasions but didn’t receive a response.

She says the property is uninhabitable due to there being no central heating system, and the water system has incurred further damage due to a further escape of water in January 2024, which was caused by the lack of central heating.

Mrs G complained about the way UKI were handling her claim. She said the delays and poor service had caused her significant inconvenience, she’d lost out on potential rent she could’ve received and the contents claim had still not been settled despite evidence being provided in October 2023. She added that many of her contents had been damaged or disposed of without consent during the clean-up works, and that one of the contractors had been rude and intimidating towards her.

In its response to the complaint, UKI acknowledged there’d been several issues including poor communication and delays in progressing matters. It offered to get things back on track for Mrs G and offered her £1,400 compensation for the distress and inconvenience it had caused.

Mrs G didn’t accept UKI’s response. So she referred her complaint to this service, saying the property hadn’t been habitable for almost two years and the potential rental income was required to offset care fees. She said she just wanted her claims settled promptly and fairly.

Our Investigator considered the complaint, but thought the offer made by UKI was fair and reasonable considering the errors that had been made and the length of the delays. Mrs G didn’t agree, so the complaint has now been referred to me for an Ombudsman’s 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mrs G and UKI have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

I should first clarify the scope of my decision. I've considered all the information about events leading up to the date of UKI's final response letter dated 12 November 2024 – and I won't comment on anything that happened after this date – such as any ongoing delays. Those will have to be the subject of a new complaint, as I can only consider in this decision matters that have been referred to UKI and which have been addressed in its final response letter.

I've looked at the timeline of the claim and can see that after Mrs G brought the claim to UKI in December 2022, there were numerous delays. The claim still wasn't resolved almost two years later, in November 2024, when Mrs G received the final response to her complaint. Having looked into what happened, I can see that UKI didn't arrange for a visit to the property to be carried out until March 2023, and UKI also didn't update its contractors in a timely manner about its plans for the repair work. Mrs G also provided details of her damaged contents in October 2023 but the contents claim remained unresolved for a considerable length of time. Overall, I consider there to have been delays of around one year which were entirely avoidable. I've kept this in mind when considering a fair amount of compensation.

I'm sorry to hear that the Contract Manager Mrs G dealt with was rude and unprofessional towards her. I'm persuaded by Mrs G's testimony and the contemporaneous evidence I've seen, including the complaint email dated 23 January 2024, that the Contract Manager likely did make some unpleasant comments and accusations during the course of the claim. I can certainly appreciate how upsetting this must've been for Mrs G and I've also kept this in mind when considering compensation.

I've taken into account Mrs G's personal circumstances and vulnerabilities. She's said she was planning to move back into her property if it had been habitable, rather than staying in a care home. I haven't seen evidence that UKI was made aware of these plans and whilst UKI has been asked to cover the care home costs and a potential loss of rent, the care home costs haven't been raised with UKI and there's no evidence of a formal tenancy agreement being in place. And without being satisfied that rent would've most likely been received, I can't fairly ask UKI to cover any lost income.

Mrs G has said that the rent would've been paid at a reduced rate by her son, who was waiting to move into the property. I've seen a copy of a tenancy agreement, but this doesn't cover the time period the lost rent is being claimed for. So I won't require UKI to deal with the

loss of rent claim.

Overall, I'm satisfied the £1,400 compensation offered by UKI is in line with our approach to similar cases – where there have been significant preventable delays of many months and poor service during a claim. I agree that the time it's taken for Mrs G's claim to remain unresolved is unacceptable for a claim of this nature. But the total length of the avoidable delays was around one year, which I think UKI has compensated Mrs G for. And throughout the rest of the claim, UKI was making the progress I'd expect to see. It follows therefore, that as I think UKI has offered fair and reasonable compensation for all its failings during the relevant time, I won't require it to do anything further here.

As I've said, I've only considered the issues raised relating to events which occurred up to 12 November 2024. Another complaint can be raised with UKI about any matters since that date, such as additional delays, the payment of utility bills and the claim settlement, for example – as these issues are ongoing. That complaint can also ultimately be referred to this service if Mrs G doesn't agree with UKI's response, subject to the usual rules and time limits that apply.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 23 October 2025.

Ifrah Malik
Ombudsman