

## **The complaint**

Miss G is unhappy with how U K Insurance Limited (“UKI”) handled her home insurance claim after her flat was damaged by the collapse of a neighbouring building in 2019.

Miss G has been represented by a friend, Mrs D. For clarity, any reference to Miss G includes the comments and submissions from Mrs D.

Any reference to UKI includes its agents unless specified.

## **What happened**

Miss G owns a flat in a block of four. In 2019, a neighbouring building collapsed, causing structural damage to the block. To summarise, the respective insurers, residents, and the local authority, appointed a supervising surveyor to co-ordinate the external repairs, while each insurer dealt with their own internal works.

The claim proved lengthy and complex. Access to complete the works partly depended on the neighbouring property being demolished, which caused significant delays. During this time, water continued to enter Miss G’s flat through the affected side wall.

A site visit took place in late 2021. Those present, including residents and adjusters, agreed there was staining and deterioration to the rear wall and guttering, an area which was largely unaffected by the collapse. The supervising surveyor was then asked to include the repairs within the external work, and UKI told Miss G that the repairs would go ahead.

In June 2023, Miss G complained to UKI about delays and a lack of progress with the overall claim. UKI didn’t uphold her complaint, explaining the delays were mainly due to factors outside its control – including cost-sharing disputes, the property’s listed status, third-party involvement and the pandemic.

By August 2023, the neighbouring property still hadn’t been demolished and continued to cause damage to Miss G’s flat. Unable to persuade the relevant parties to clear the demolished building, UKI decided to install an internal tanking system so that reinstatement works could continue.

In April 2024, Miss G learned that UKI was no longer intending to do the works to the rear wall. UKI said further investigation had shown the damage was unrelated to the 2019 collapse and more likely due to an ongoing maintenance issue. Miss G reminded UKI that it had already said the works would be done, and they hadn’t, so she complained.

UKI upheld the complaint. It maintained that the damage wasn’t related to the collapse. But as it had led Miss G to believe the work would be done, it paid Miss G a cash settlement for 25% of the cost, in line with its liability for external repairs. It also paid Miss G £300 for the poor communication.

Unhappy with this, Miss G referred the complaint to our Service in October 2024. Our investigator said the first complaint from June 2023 was out of time because it had been

referred more than six months after UKI's final response in August 2023. He also thought UKI's second response was fair, as he didn't think the rear-wall damage was claim-related and so a 25% cash settlement was reasonable. He also thought £300 was enough to recognise the poor service.

Miss G disagreed. She said UKI had promised to add the repairs to the scope of works and had failed to chase this up. She said the damage was clearly linked to the collapse, and that she'd been left to organise and pay for works that should have been shared. She also thought we should be able to consider the first complaint.

As Miss G didn't agree, the matter was passed to me to make a decision. I decided that Miss G's first complaint was brought to us too late, and we can't look into it. I've now considered the merits of Miss G's second complaint, which is what this decision addresses.

### **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 decided not to uphold the complaint for broadly the same reasons as our investigator. I know this will be deeply disappointing for Miss G, given the long-running nature of the claim and the disruption to her life. But I'm persuaded UKI's response to the complaint that I'm able to consider was fair and reasonable overall.

I've focused on the points and evidence I consider material to my decision. If I haven't commented on a particular point, it's not because I haven't thought about it. Rather, I don't believe it affects what I consider to be the right outcome.

### **Rear wall and gutter damage**

Miss G says UKI promised to repair the rear wall in 2021 but later changed its mind, paying only 25% of the cost. She says this has left her to deal with the work alone, despite earlier agreement that the damage was linked to the 2019 collapse.

UKI accepts that Miss G was led to believe the work would be included, but says further investigation showed the damage was unlikely to have been caused by the collapse.

I've read the emails from the adjusters after the November 2021 site visit. UKI's own loss adjuster wrote:

“We inspected the rear elevation and it was noted that the guttering had deteriorated near the corner where the damage has occurred and will require replacement. The external wall is stained and will be cleaned with any necessary pointing being undertaken. We will ask [the supervising adjuster] to include this in the scope.”

These observations confirm the gutter had “deteriorated” and the walls were stained. But they don't confirm that the collapse caused this, or how.

I've also seen a later email from July 2022 where UKI's loss adjuster mentions that the damage “relates to the original collapse”. But the email didn't elaborate on how this could have happened and provided no evidence to support the conclusion.

Another adjuster present at the site visit wrote:

“...it was noted that significant staining has affected the rear wall where water has been leaking/overflowing from the gutter. Presumably it has been displaced at the time the chimney head was disturbed.

...

It may simply need the gutter to be cleared of debris, silt, vegetation etc and/or realigned but I would be grateful if you could instruct [the main contractor] to attend to this...“.

These comments mention a possible cause, but the adjuster is speculative about this. Their suggestion of simply removing silt and vegetation is also inconsistent with the damage having been caused by a collapsing building next door. I also note having looked at more recent photos of the rear wall that most of the water staining is much further away from the side wall damage.

In addition, when the gutters were inspected in 2024, no debris or structural displacement was found to link the issue to the collapse in 2019. UKI has also provided a photo of the rear wall from 2016 showing algae and water staining to the same area. This makes it more likely that the gutter problems were ongoing before the collapse, rather than the collapse being the main cause.

With all this in mind, on balance, I'm not persuaded that UKI had a contractual duty to cover the repairs as insured works, regardless of their share of liability. However, I do understand why UKI recognised that Miss G had relied on what she'd been told before, and chose to settle 25% of the cost, in line with UKI's liability for external works.

#### Fairness of the 25% contribution

Miss G says that 25% is unfair because UKI had led her to believe the work would be added to the shared scope of works and so the repairs should have been completed. Whereas, she's now been left to mobilise the other residents and organise the repairs herself.

UKI says it was never fully liable for the external envelope of the building, and any contribution beyond 25% would exceed its responsibility.

I acknowledge Miss G's strong feelings about this, and how the settlement has left her in a difficult position. But I agree with UKI. It isn't in dispute that UKI's liability for external repairs has always been capped at 25%. As I'm not satisfied UKI was responsible for the damage in the first place, I haven't found a persuasive basis to ask UKI to increase its liability beyond 25%.

In addition, I've kept in mind that it wasn't UKI's ultimate responsibility to arrange the external works. Miss G's evidence confirms the supervising surveyor was informed about the intended repairs. While UKI didn't chase this up, I don't think this is enough to justify UKI paying for the works in full.

On balance, I'm satisfied a 25% contribution is fair and reasonable. So, I'm not asking UKI to pay anything more in respect of the rear wall.

#### Delays and communication

Miss G says UKI took too long to resolve the claim and failed to keep her properly updated.

Industry rules say insurers need to deal with claims promptly and fairly and must provide appropriate information on a claim's progress. So, I've considered the way UKI handled the claim from August 2023 onwards, as earlier events are not within my jurisdiction to consider.

By August 2023, the neighbouring building still hadn't been demolished, and this prevented UKI from accessing and repairing Miss G's side wall. UKI has shown it was actively pursuing the neighbouring landowner and trying to persuade the local authority to demolish the building quickly, but this was out of UKI's control.

In a situation like this, I'd expect to see an insurer pursue other alternatives. UKI investigated possible solutions and provided an update to Miss G. UKI was advised that extensive tanking was the best option to get Miss G home, as it didn't know when the neighbouring building would be demolished. UKI obtained a quote for this work in early October and agreed a start date of 20 November. On 10 November, UKI updated Miss G again.

Miss G has said this was too long to be left in the dark. I appreciate she would have been anxious for updates. But I'm satisfied UKI were actively pursuing a solution to a complex problem and provided a meaningful update once it had found a way forward.

Miss G has also said UKI took too long to decide to tank the property in the first place. I can't review UKI's earlier decisions. But, in the period I can consider, I'm satisfied UKI handled the claim without any avoidable delays.

The tanking was finished in March 2024 which allowed reinstatement works to continue. There was a further ingress of water in May 2024, and I think UKI dealt with this fairly by incorporating it into the existing claim and repairing the damage. The final repairs were completed in June 2024 and internal notes indicate Miss G was happy with these.

Considering the complex nature of the repairs, and the third parties and dependencies involved, I'm satisfied UKI progressed the claim promptly and fairly during the period I've considered – and I think they provided appropriate updates.

#### Communication of rear-wall decision

While I think UKI's communication about the internal works was adequate, it failed to promptly tell Miss G about its decision not to repair the guttering and rear wall. UKI appear to have made this decision in December 2023. But internal notes suggest Miss G only learned about this during an April 2024 site visit and then had to chase UKI for clarity. This prompted an exchange about the works being promised before, and led Miss G to complain.

I can understand why Miss G was surprised, worried and frustrated about the decision and its communication. While I don't think the decision itself was unreasonable, I think the communication should have been a lot better.

I've seen that UKI recognised this failing and paid Miss G £300 compensation. Given the impact this had on Miss G, I think the amount is fair and consistent with what I'd usually award for a communication failing like this. Overall, I'm satisfied it represents a fair and reasonable response to the impact on Miss G in the circumstances of the complaint.

In all, while I acknowledge how distressing this situation has been for Miss G, I'm satisfied UKI responded fairly and reasonably to the complaint I'm able to consider.

Therefore, I don't require UKI to do anything further to resolve things.

**My final decision**

For the reasons I've given, I do not uphold Miss G's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 28 November 2025.

Chris Woolaway  
**Ombudsman**