

The complaint

Mr H complains about claim delays by U K Insurance Limited trading as Privilege ("UKI") after he made a claim for damaged flooring following an escape of water at his home.

What happened

Mr H holds a home insurance policy with UKI. In January 2025 he submitted a claim for accidental damage after a tap was left running, which resulted in damage to his flooring. UKI accepted the claim and agreed to replace the damaged flooring.

Mr H is unhappy with the replacement being offered. He states that it differs from the original in several ways: it is 2mm thinner, and the colour and pattern do not match. Although Mr H agreed to proceed with the replacement because it came with a 25-year guarantee and was the closest available colour match, he maintains that it was not a like-for-like replacement.

Mr H reports that his flat has had a wet floor since January 2025. Despite the claim being accepted, no repairs have been carried out. He has made numerous calls to try to resolve the matter and is frustrated at the continued delays and the need for another inspection. As a result, Mr H complained to UKI.

UKI said Mr H was asked to choose a flooring to replace the damaged floor, once Mr H chose the flooring it would be ordered and fitted. Mr H chose a luxury vinyl tile (LVT) to replace the existing laminate flooring which UKI said is an upgrade on what he had previously. As a result, Mr H would have to pay an additional cost of £450. UKI said the original flooring was 7mm thick and the replacement flooring is 8mm, but it would replace it at no extra charge. Mr H provided quotes to replace the laminate, but they were higher than what it would cost UKI to supply and fit. UKI did accept its communication fell short of the standard it aimed to provide, and there were long hold times which added to the delays. So, it paid Mr H £150 to apologise for the service he received.

Mr H wasn't satisfied with the response from UKI. He said he didn't choose LVT, he only said the LVT one matched closest in colour and queried the additional cost. Once he became aware of the additional cost he declined it. Mr H says UKI is aware Mr H has a mental health condition and the service he received should have taken this into account. So, he referred his complaint to this Service.

Our Investigator considered the evidence and concluded that UKI had settled the claim in line with the terms and conditions of the policy. She said there were delays and poor communication from UKI at times, but she thought the £175 compensation reflected the distress and inconvenience caused. The Investigator also agreed the flooring offered was a close match to Mr H's original floor. So, the complaint wasn't upheld.

Mr H didn't agree. He said UKI should not be able to limit its cash settlement offer since it wasn't able to replace the flooring like for like. Mr H says he was able to get a closer match elsewhere, so it was unfair for UKI to limit it. Because Mr H didn't agree the complaint was referred to me to decide.

In August 2025 I issued a provisional decision on this complaint, a copy of my findings is below;

My decision will comment on matters to 7 April 2025 when Mr H was provided with UKI's final response to his complaint. I've explained my rationale below, but before I do I want to acknowledge that I've summarised events in my own words and in far less detail than what's been provided to me. If I've not mentioned anything it's not because I haven't considered it – I've carefully reviewed the evidence submitted by both parties. Instead, I've focused on the key elements of the timeline, and what I consider to be the crux of the complaint – in line with our remit as a quick and informal alternative to the courts. No discourtesy is meant by that, nor is it my intention to minimise in any way what Mr H has been through.

A claim of this nature, where drying-out is required before the entire flooring is replaced, was always likely to be disruptive and stressful for Mr H. Ultimately the incident resulted in conditions giving rise to this claim. But I've had to decide what impact UKI has caused over and above what might reasonably be expected, through its case handling.

Delays and poor communication

UKI accept the communication fell short of the standard it aims to provide, and there were long hold times on calls which added to the delays. So, it paid Mr H £150 to apologise for the service he received. Our investigator recommended Mr H also be paid the original £25 he was offered taking his total compensation to £175 for delays and poor communication. I appreciate Mr H doesn't think the compensation is enough – I've read what he's said about the impact and stress he's suffered. I've considered this along with what UKI did to try and resolve things. I think £250 is a fair offer given the level of distress and inconvenience the matter had on Mr H, and so I intend to direct UKI to pay Mr H an additional £100 in resolution of the complaint. I think this fairly reflects the heightened distress and upset caused to Mr H.

The flooring

Mr H has explained he requires a certain colour flooring as a result of a mental health condition. Mr H made UKI aware of his condition and so I would have expected it to take this into account when dealing with Mr H's claim.

The replacement flooring options provided to Mr H were 'busier' than the one it was due to replace. Mr H says he felt compelled to accept this given that it would be provided at no extra cost to him, and it came with a 25 year guarantee.

I have carefully considered the evidence, including the photographs provided by Mr H. I can see the original flooring was plain white, with very little markings or other colours showing. The one UKI say is a close match is white but with a grey marble-type pattern going through it – so I'm not persuaded it's a close match – or like-for-like.

The flooring that matched most closely was a different type of flooring (LVT rather than laminate) and so would come with an additional cost to Mr H. Given that flooring was not the same as the laminate it was due to replace, I don't think it's unfair for UKI to ask Mr H to contribute to the increased costs of that flooring.

The purpose of the insurance policy is to indemnify Mr H, that is, settle the claim fairly without him losing out. And in failing to provide like for like flooring Mr H is losing out – he is being compelled to accept a flooring that doesn't match his own or has to pay significantly more to get the closer match.

I can see UKI has tried to work with Mr H in trying to find a suitable match. Mr H has provided UKI with quotes for similar flooring that he has found – however, from what I've seen, those quotes are only for the flooring and don't include fitting or replacing the underfloor. So, I can see why UKI hasn't considered these for settlement. In order for UKI to consider a cash settlement here Mr H needs to provide quotes for the work, with a breakdown of those costs to include the flooring, underlay, supply, and fit. That way UKI can consider those costs with a view to making a cash settlement.

Alternatively, Mr H could provide details of flooring he has found that match more closely and UKI could look to source the flooring and fit it for Mr H.

In conclusion, I don't think UKI has treated Mr H fairly here. It hasn't provided Mr H with a suitable replacement flooring that would indemnify him under the terms of the policy.

Responses to my provisional decision

UKI accept the findings and outcome I said I intended to reach.

Mr H largely agreed with the findings but did however make the following points;

- Mr H provided three quotes including fitting costs that he sent to UKI in March 2025. He says they were only around £300 more than the cash settlement UKI offered
- Mr H says had UKI listened and offered a cash settlement based on the quotes he wouldn't be in the position he is in where he is having his floor pulled up again. He wants distress and inconvenience offered for this.
- The flooring was 9mm based on the picture he took.
- The flooring has been laid now. It will be a lot to go through lifting the floors and moving contents around. He felt compelled to accept because he wanted his home sorted.

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 haven't been provided with any information from either party which alters the findings set out in my provisional decision. So, the findings set out in my provisional decision are now that of this, my final decision.

I understand Mr H's desire for me to increase the amount offered for distress and inconvenience. However, I haven't seen anything that persuades me the amount recommended isn't fair in the circumstances.

Putting things right

In order to put matters right, I direct UKI Insurance Limited trading as Privilege to:

- Provide Mr H with like for like replacement flooring.
- If flooring can't be agreed it should consider a cash settlement subject to Mr H providing up to date quotes for the supply and fit of similar flooring.
- Pay Mr H a further £100 to reflect the distress and inconvenience caused.

My final decision

For the reasons I've explained I uphold Mr H's complaint and direct UK Insurance Limited to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 September 2025.

Kiran Clair
Ombudsman