

The complaint

Mr D is unhappy with how U K Insurance Limited (UKI) handled a claim on his home insurance policy.

What happened

The events are well known to both parties and so I won't go into them again in detail here. In summary, Mr D suffered from an escape of water at a property he owned, but his daughter and her family (D&F) were living in, in October 2023 and raised a claim with UKI. It took until February 2025 for the remedial work to be completed. Mr D has raised several complaints with UKI during the claim process. In September 2024, Mr D raised the following points:

- Claim delays
- D&F's needs weren't catered for
- Inappropriate alternative accommodation (AA) was booked for D&F
- Granddaughter wasn't included in AA
- UKI didn't help when AA sum assured ran out
- Attitude of loss adjuster (LA)
- Wouldn't initially pay the remaining AA budget for additional food costs
- Due to delays and the property being empty, property was a victim of fly tipping
- UKI demanded the excess before work started
- Previous offer of compensation was unreasonable
- Hadn't been paid £150 for damage to carpets
- Number of occasions UKI had apologised but not shown further urgency

UKI upheld Mr D's complaint. They said there had been some failings during the claim and awarded Mr D £300 compensation to put things right. Mr D didn't think this was enough and so brought the complaint to this service.

Our investigator didn't uphold Mr D's complaint. They felt the compensation awarded by UKI to date was fair and reasonable in the circumstances. Mr D appealed. As no agreement could be reached, the complaint has been passed to me to make a final decision.

Because I disagreed with our investigator's view, I issued a provisional decision in this case. This allowed both UKI and Mr D a chance to provide further information or evidence and/or to comment on my thinking before I made my final decision.

What I provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

Based on what I've seen so far, I intend to uphold Mr D's complaint.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether UKI acted in line with these requirements with how they've handled Mr D's claim.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr D has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, I think it's important to set out the remit of this decision. Mr D had raised a previous complaint with UKI in which a final response letter was issued to Mr D in May 2024. Mr D first contacted this service in December 2024. As Mr D contacted us more than six months after the May final response letter, I'm unable to consider any of the issues raised in that complaint in this decision. This is based on the Financial Conduct Authority's rules.

I appreciate that Mr D feels strongly about this, and wants us to look into everything, but this isn't something I can do. Whilst it isn't disputed that a hard copy of the final response letter was sent to the insured address where no one was living, he was also sent an electronic copy. Whilst Mr D doesn't think this is acceptable, I disagree. So, this complaint will only be considering issues that occurred after 17 May 2024.

We're also only able to look into issues that UKI has had the opportunity to respond to. So, this complaint will only be looking into issues up until the most recent final response letter was issued on 5 November 2024. If Mr D is unhappy with anything that happened after this date, he'll be able to raise this as a new complaint with UKI.

I also think it's important to set out that whilst D&F were living in the insured property, Mr D was the owner of the property and the insurance policyholder. As our investigator explained, I can only consider the impact of the issues on Mr D as the policyholder and not D&F. Whilst I acknowledge the issues in relation to the property that negatively affected D&F would also lead to a knock on impact on Mr D personally, the impact wouldn't be as strong as Mr D being affected by the issues directly.

I've considered each of Mr D's complaint points individually below.

Claim delays

UKI has accepted there were delays to the claim between May and November, so I don't need to consider the merits. I've considered the compensation offered below.

D&F's needs weren't catered for

UKI has accepted there were issues, so I've considered the compensation offered below. However, the main impact of this was on D&F which I can't consider.

Inappropriate AA was booked for D&F

UKI has accepted there were issues, so I've considered the compensation offered below. However, the main impact of this was on D&F which I can't consider.

Granddaughter wasn't included in AA

From what I've seen, Mr D's granddaughter was initially included in the AA requirements. However, it's suggested that it wasn't appropriate for her to be living in a hotel on a long term basis and it being unknown from week to week where the accommodation would be.

Having said that, when the request was put in place for Mr D's granddaughter to be included in the AA for Christmas and onwards, this was arranged.

UKI didn't help when AA sum assured ran out

While I appreciate it must have been a difficult time for Mr D when the AA sum assured was coming close to being used up, I wouldn't have expected UKI to increase the budget outside the policy terms and conditions limit.

Whilst I would have expected UKI to extend the AA due to any delays they'd caused, this was offset by Mr D moving D&F into another property he'd purchased.

Mr D also complained about claim delays in his initial complaint in May 2024 and so I can't consider this further.

Attitude of LA

UKI has accepted there were issues with the LA. As such, I won't be going into the merits of this issue. I've considered the compensation award below.

Wouldn't initially pay the remaining AA budget for additional food costs

I'm pleased that UKI has now paid this to Mr D. Mr D has however raised an issue with how much was paid. UKI initially told Mr D that there was £2,295.04 remaining. UKI then informed Mr D this was actually £1,957.55, which has now been paid to Mr D. UKI has since advised that the remaining budget was actually £1,950.21 and so Mr D has been overpaid but they won't be looking to recover the overpayment.

Having reviewed what was spent on AA, the total amount was £23,049.79. With a total sum assured for AA of £25,000, this would leave £1,950.21. So, I don't think UKI need to pay Mr D anything further for this.

Due to delays and the property being empty, property was a victim of fly tipping

Whilst it has been accepted there were delays, the action of fly tipping wasn't UKI's fault. There's also no guarantee that had there not been any delays caused by UKI that the fly tipping wouldn't have still occurred. So, I don't think UKI need to do anything further on this point.

I was pleased to hear that UKI arranged for the rubbish to be removed from Mr D's property.

UKI demanded the excess before work started

*UKI has accepted that when the excess needs to be paid isn't set out in their policy terms and conditions. The policy defines excess simply as "The amount **you** must pay towards any claim".*

Whilst I appreciate that Mr D was unhappy with how the claim was progressing, the excess always needed to be paid in line with his contract with UKI. The excess isn't kept by the policyholder if they're unhappy with delays or poor repairs. I don't think UKI has acted unfairly or unreasonably for asking for the excess to be paid before the work had started.

Previous offer of compensation was unreasonable

As this relates to the final response letter issued in May 2024, this isn't a complaint point I can consider.

Hadn't been paid £150 for damage to carpets

In an email dated 20 September 2024, UKI agreed to cover the cost of the damaged carpet. As this hasn't been paid yet, I'm intending to tell UKI to pay Mr D £150 to cover this.

Number of occasions UKI had apologised but not shown further urgency

Whilst I appreciate Mr D was unhappy with the service he received, this point stems from the claim delays. It has already been accepted there were claim delays and this is considered in the compensation offer below.

Our usual approach is to consider the appropriate level of compensation overall – not to apportion particular amounts to individual elements of a complaint.

I appreciate that it must have been frustrating for Mr D to have claim delays, issues with the LA, issues with the AA and D&F's needs not being considered. Although this is a distilled version of events, I've considered everything in the round and I think Mr D has been caused considerable distress, upset and worry which has taken a lot of extra effort to sort out over several months. In line with our website guidelines, I think the £300 compensation offered by UKI is fair and reasonable."

I set out what I intended to direct UKI to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to my provisional decision

UKI confirmed they'd already made payment of the redress suggested in my provisional decision.

Mr D confirmed he didn't agree with my provisional decision. In summary, he made the following points:

- He informed UKI he didn't accept the final response in email form. He shouldn't be forced to accept an email copy of the final response.
- His D&F are both registered as disabled persons.
- I've reduced the terminology from "*demanding*" to "*asking*" for payment of his excess before work started.
- He confirmed the payment for the carpet has now been paid
- The £300 compensation doesn't cover the costs involved in purchasing a new property for his D&F to live in.

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've considered the points raised by Mr D, however, none of the points he's raised are new information and so have already been considered. So, I've thought carefully about the provisional decision I reached but as neither party has provided anything which could lead

me to depart from my provisional decision, and whilst Mr D will find it disappointing, my final decision remains the same as my provisional decision, and for the same reasons.

It's not up to a consumer to inform a business that they don't accept a final response letter and request another is sent. If they do, it doesn't void the final response letter that has been sent. This is the reason for the referral rights to this service. As Mr D didn't refer his first complaint in time, we can't consider the merits of the complaint points covered in the first final response letter.

It has been well documented that Mr D's D&F are registered as disabled persons. As such, it was already considered in coming to my provisional decision.

Whilst Mr D is unhappy with the terminology I've used, the facts of the case have been considered already in coming to my provisional decision. My terminology doesn't change what happened in relation to this complaint point.

I'd expect Mr D to have mitigated potential costs. I don't think purchasing a property in the circumstances was the cheapest way to help his D&F. Mr D has also now got an asset which can increase in value. So, whilst he may be out of pocket at this moment in time, this may not be the case in the future. I don't think it's fair or reasonable for UKI to cover any of the costs involved in Mr D purchasing a new property.

Putting things right

To put things right, UKI should do the following:

- Pay Mr D £150 to cover the cost of the damaged carpets
- Pay Mr D £300 to cover the trouble and upset caused

I understand that both of the above items have now been paid.

My final decision

For the reasons I've explained above, I uphold this complaint and direct U K Insurance Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 October 2025.

Anthony Mullins
Ombudsman