

The complaint

Mrs N and Mr N complain about U K Insurance Limited's handling of a claim under a home insurance policy.

Mrs N and Mr N are joint policyholders, but most of the communication regarding the claim and complaint has been from Mrs N. So I'll refer mainly to Mrs N in my decision.

U K Insurance Limited (UKI) has been represented on the claim by its agents. For simplicity, at points, I've referred to the actions of UKI's agents as being its own.

What happened

Mrs N had a home insurance policy with UKI. In November 2024, she notified UKI of a cracked tile in the bathroom, that she discovered was causing a leak, and damage to the floor underneath.

The required works would mean Mrs N would be without a functioning bathroom (and toilet). But she didn't want a bathroom pod or to move to an alternative accommodation (AA). Instead, she said she would stay at home and use the neighbour's facilities, or stay at relatives' properties. UKI respected Mrs N's wishes and agreed to pay disturbance allowance (DA) at a daily rate until the bathroom was usable again.

Works started in February 2025, but halted shortly after as there was concern of possible anthrax which required further testing. It wasn't until April 2025 that the results came back negative and works restarted.

In May 2025, Mrs N raised concerns with UKI about the workmanship, after the works had been completed. And she was unhappy with the length of time the claim was taking. UKI arranged for an agent to attend and review Mrs N's concerns. Between May and June 2025, works were carried out to address the snagging issues, with UKI agreeing to discuss dates to finish any remaining outstanding works.

UKI issued a complaint response in June 2025. It accepted it caused some delay, and communicated poorly on the claim. It also accepted the quality of the workmanship wasn't acceptable, given the extent of the snagging issues. In recognition of the stress caused, it paid £750 compensation. But it didn't agree to pay any further DA as the bathroom was usable, despite the outstanding snagging issues.

Mrs N referred her complaint to the Financial Ombudsman Service. She said she'd like compensation of around £2,500 due to the impact of UKI's actions.

The Investigator didn't recommend the complaint be upheld. They said UKI acted fairly in arranging the anthrax testing but could have managed Mrs N's expectations better. They accepted the workmanship was poor, but agreed with UKI that DA was not payable now that Mrs N had a functioning bathroom. Overall, they felt the £750 compensation UKI paid was fair, so they didn't recommend it pay anything else.

Mrs N didn't agree. She was disappointed with the decision not to award further compensation, and felt £2,500 was fair. She remained unhappy with the overall time UKI took on the claim and explained UKI's offer of AA or a bathroom pod wasn't suitable for her and Mr N in their circumstances.

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 should first set out that I acknowledge I've summarised Mrs N's complaint in a lot less detail than she has presented it. Mrs N has raised a number of reasons about why she's unhappy with UKI. I've not commented on each and every point she's raised but, instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mrs N, however, that I have read and considered everything she's provided.

Mrs N said there were significant delays by UKI in the handling of the claim, but having reviewed the information, I've not seen sufficient evidence to support this. I accept the claim took longer than was expected, but I'm persuaded that the claim was delayed mainly because there were indications of possible anthrax. I consider UKI acted fairly in arranging testing following this, and that works couldn't reasonably restart until the test results came back negative.

Ultimately, this wasn't an insignificant claim. Significant water damage was caused to the property, requiring removal of floor tiles, and the indications of possible anthrax caused further unavoidable delays. However, while I don't think UKI caused substantial delays, it's clear that UKI's poor communication with Mrs N, along with the unprofessional actions of its agents and the quality of the works, did cause her unreasonable and significant upset. On the quality of works itself, I'm satisfied the works weren't to an acceptable standard in the circumstances. And while I think it was fair for UKI to take steps to address the snagging issues, I think this caused Mrs N avoidable distress and inconvenience. I can see UKI also accepted it did cause some delay. I've kept all this in mind.

I've also considered UKI's actions given the length of time the claim took. I can see that prior to works starting on the claim, it offered Mrs N the option of a bathroom pod, or to move to AA. And it continued to offer the option of AA throughout the claim, including options such as a serviced apartment. I think UKI acted fairly in doing so. Mrs N wanted UKI to reinstate the toilet each day for use, but I think it was fair for UKI to say this was not possible, given that the work required removal of the tiled flooring and subflooring. I acknowledge and understand Mrs N's reasons for not wanting a pod or AA, and instead choosing to either live at the property and use their neighbour's facilities or stay at some of their relatives' properties. But the key point here is I consider UKI did offer to do what it reasonably could in the circumstances, and in doing so, I consider it acted fairly.

But I can see UKI then went further and agreed to pay Mrs N and Mr N, DA, at a daily rate, from the date works were scheduled to start. This was in acknowledgement that Mrs N and Mr N would likely be living within limited space at their relatives' properties.

UKI paid Mrs N and Mr N the DA from 12 February 2025 to 9 May 2025. This covered the entire period of the works and testing, including a short period after the bathroom was functioning, with Mrs N and Mr N living at the property.

The terms of the insurance policy don't specifically require UKI to pay DA, but we think it's generally fair and good practice for an insurer to cover expenses that are more than a

consumer would usually pay, had they been in their own home, with all their usual facilities. So it's usually intended to reflect the increase in daily costs. I've not seen sufficient evidence to show Mrs N incurred increased daily costs. And given that UKI paid DA at a rate of £20 per person per day, rising to £60 per person per day, I think it paid substantially more than an insurer would usually pay in these circumstances. I'm conscious it also paid DA for a short period after the bathroom was functional, and I don't consider UKI was required to do this. This is because I'm not persuaded the snagging issues would've prevented Mrs N from using the bathroom facilities, or otherwise rendered her home uninhabitable.

In light of the above, I've taken into account that UKI paid more than it would usually pay (or was required to pay) in the circumstances, in DA. I understand it paid Mrs N a total of £5,820. So I consider UKI did take steps to support Mrs N and Mr N during the claim process. But, I do accept UKI's other actions, including that of its agents, as outlined above, including some delay UKI was responsible for, meant Mrs N and Mr N suffered a significant amount of avoidable distress and inconvenience, which was compounded because of their circumstances.

I do need to take into consideration the mitigating factors I set out above in assessing what is fair compensation. And while some of its actions would've caused Mrs N and Mr N avoidable distress and inconvenience, I think at times UKI has done more than it needed to do to assist them, given their specific wishes and circumstances.

I have no doubt Mrs N and Mr N suffered a lot of distress and inconvenience as a result of this claim. And I have a lot of sympathy for them in their circumstances. But I do also think a large part of this is an unfortunate and inevitable consequence of the claim itself, and the need to carry out testing on reasonable suspicion of anthrax. And UKI isn't liable for this. But I accept it could have made the claim journey a lot smoother for Mrs N and Mr N. And I think it caused them significant amounts of avoidable distress and inconvenience for the reasons set out above. And it's right that UKI compensate them for this. But overall, I think the £750 compensation it paid them was fair and reasonable in the circumstances. I don't consider this is less than what I would have directed it to pay. So I won't direct it to pay more.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mr N to accept or reject my decision before 23 March 2026.

Monjur Alam
Ombudsman