

The complaint

Mrs S is unhappy with the decision by The National Farmers' Union Mutual Insurance Society Limited (NFU) following a claim made on her home insurance policy.

NFU is the underwriter of this policy. NFU has accepted it is accountable for the actions of agents involved in the claim. In my decision, any reference to a company instructed during the claims process includes NFU.

What happened

The background to Mrs S's claim is well-known to both parties. So, I haven't repeated it in detail here. To summarise Mrs S contacted NFU following a flooding incident causing damage to her home around October 2023.

Since making her claim, Mrs S has made several complaints to NFU. NFU has issued three final response letters in April 2024 (offering £400 compensation), July 2024 (offering £300 compensation), and most recently September 2024 not offering any compensation. Mrs S's complaint about the final response letter issued in April 2024 has been considered separately.

In September 2024, NFU made an offer to Mrs S in full and final settlement of her claim. It said *'In terms of your contents claim, we are willing to make a final offer to settle your contents claim at a total contents claim of £54,423.30. This is the most that we are able to consider alongside policy terms. A payment of £32,618.55 has already been issued to you which will leave £21,804.75 remaining to be issued to you for your contents which is included in the total offer above of £23,504.95.'*

Mrs S rejected NFU's findings, offer of compensation and settlement offer. Mrs S reiterated NFU's poor claims handling, including failure to provide a full contents list, unauthorised restoration of some items, missing and damaged items, and delays.

Mrs S brought her complaint to the Financial Ombudsman Service for investigation. The Investigator said NFU's claims handling had been poor in parts, but the settlement offer and compensation for its poor claim handling was fair, based on the evidence available at the time. Mrs S didn't accept the Investigator's findings. As the complaint couldn't be resolved it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Contents claim and claim handling

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So, I've considered the evidence to determine whether NFU has acted fairly and reasonably in reaching its decision on Mrs S's claim in respect of her contents.

It's not unusual for a consumer and business to continue to interact and resolve any outstanding concerns even after a complaint has been referred to this Service. This is encouraged because it means a complaint can effectively be resolved at the earliest opportunity. And we're not claims handlers. So, we wouldn't make decisions about issues which a business can and should respond to first.

In order to be fair to both parties, and in consideration of our rules, we generally wouldn't determine a complaint where it relates to something which a business hasn't had the opportunity to consider. I've thought about Mrs S's claim and how it has progressed since being referred to this Service. And I don't think it would be reasonable for my review to include more recent events as part of this decision, and consideration of what NFU needs to do to put things right.

This decision is only concerned with events from 10 April 2024 up until the final response dated 8 September 2024. I recognise that a lot has happened on Mrs S's claim since the most recent final response dated 8 September 2024, including NFU making a revised offer for Mrs S's contents claim. But as NFU hasn't had the opportunity to make fair representations about events after September 2024, I won't be commenting on its claims handling since this time. It is for Mrs S to decide if she wants to complain separately about events that have happened after September 2024.

NFU accept that there were several issues with the way Mrs S's contents claim was handled. Because of this Mrs S had to chase NFU for updates on missing, destroyed, and damaged items. NFU could've done more to ensure better processes were in place when Mrs S's contents were taken out of her home for storage, so that they were properly logged and could easily be identified when needed.

Because this didn't happen, there were several instances where Mrs S had to raise concerns about the whereabouts of her items, only for NFU to admit later in the claim that they hadn't been logged properly. I'm persuaded this caused distress to Mrs S at a time that she was already feeling upset with the poor handling of her claim, especially given the previous complaint she'd raised about similar issues.

In respect of Mrs S's specific complaint about NFU's settlement offer, I recognise Mrs S's strength in feeling about this offer failing to include all of her items and not being a reasonable reflection of the losses caused by the incident. I note Mrs S's concerns about the amount offered, the way some items had been categorised, and items missing from the list.

It's not the role of this Service to comment on each individual item and consider whether NFU has offered a fair valuation. Instead, I've considered more broadly whether NFU did what we'd expect, and where it didn't, what steps it took to put things right.

There's no dispute about NFU not dealing with the claim as well as it could've done. When considering the period in the scope of this complaint, I'm persuaded that even though NFU could've been more proactive in managing the claim properly from the outset, overall, its compensation offer of £300 is reasonable. I'll explain why.

With complaints involving contents, we'd expect a degree of back and forth between a consumer and business whilst the list is finalised. I've considered the extent of the claim, the

level of damage, the numerous items that formed part of the different lists being compiled (including beyond economic repair, restored or and not damaged), and what we'd expect in the circumstances.

Once Mrs S's concerns were known I can see NFU took steps to understand the items that were in dispute and locate the items that were missing. The issue with the missing items could've been better handled by NFU with better communication with Mrs S. But the issue with the value of items, and whether items should be deemed beyond economic repair, is a common point of discussion in a claim of this type and often takes some compromise from both sides before any agreement is reached. This speaks to the very nature of these claims where contents are particularly unusual or not available to purchase. We'd expect both parties to engage in what would be a fair settlement. I can see that's what NFU did here. Although I accept it did cause avoidable delays and communicated poorly at times.

I've carefully considered Mrs S's comments about the impact on her and her family. I note Mrs S's comments about her personal circumstances, including the impact on her health, and that of her family, and challenges she has been dealing with. I'm empathetic to all that Mrs S has explained, and I would like to thank Mrs S for taking the time to share this information with me. As I understand this cannot be easy to share.

I'm mindful that a claim like this can involve a degree of upset and frustration because of the very nature of what has happened. And although NFU didn't handle the claim the way it should've, I still think Mrs S would've been caused upset and stress because of the inconvenience of making an insurance claim and not being in the comfort of her home and familiar surroundings. Although upsetting, this is something NFU isn't responsible for and wouldn't be expected to pay additional compensation for.

I can only direct NFU to pay compensation for the impact on Mrs S because of its failings on the claim. And I recognise that this is a finely balanced exercise. All things considered, including NFU's previous offer for its poor service (not part of this complaint), and NFU's more recent offer of compensation of £300, I'm broadly satisfied that this amount is fair and reasonable and in line with our approach.

Mrs S says the compensation awarded doesn't reflect the stress caused to her. Mrs S is ultimately unhappy with the outcome of her claim in respect of NFU's decision on how much it would be willing to pay for her contents claim. The policy terms say NFU can decide how to settle Mrs S's contents claim. With the evidence available to me for the period I'm looking at, I'm persuaded NFU's offer of £300 for its poor claims handling and the impact on Mrs S is reasonable, and in line with what I'd direct in the circumstances. It is for Mrs S to decide if she wants to accept this.

Mould

Mrs S says *'the drying out was not complete due to equipment failures... and the faulty dehumidifier was not replaced for almost a month or more... and certain rooms did not have any drying equipment.'* I've carefully considered Mrs S's comments. And it's clear she feels strongly that NFU is responsible for the mould she has found in her home.

NFU's position remains that Mrs S was provided with a drying certificate and repairs were completed by her own appointed contractor. I recognise Mrs S's strength in feeling about NFU being responsible for failing to manage the drying of her property properly which caused mould to form. But with the evidence available to me, I'm unable to direct NFU to do more to put things right based on Mrs S's testimony alone.

I haven't seen any compelling or persuasive evidence to ask NFU to reconsider its position. Should Mrs S provide other evidence to support her concerns, it is for NFU to review this and respond to Mrs S. As it stands, I won't be asking NFU to do anything more in response to this complaint.

My final decision

For the reasons provided I uphold this complaint. The National Farmers' Union Mutual Insurance Society Limited must pay £300 distress and inconvenience payment to Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 22 October 2025.

Neeta Karelia
Ombudsman