

The complaint

Mrs H is unhappy with the service provided by Intact Insurance UK Limited (Intact) following a claim made on her home insurance policy.

Intact is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Intact has accepted it is accountable for the actions of third parties instructed by it. In my decision, any reference to Intact includes the actions of any third party instructed by Intact during the course of Mrs H's claim.

What happened

The background to Mrs H's claim is well-known to both parties. So, I haven't repeated it in detail here. To summarise Mrs H contacted Intact following an escape of water in her home around November 2022.

Since making her claim, Mrs H has made several complaints to Intact. Intact has issued four final response letters. This decision is only concerned with the issues addressed in Intact's most recent final response letter dated 23 January 2025 which deals with the complaint raised by Mrs H in July 2024.

Mrs H raised several issues in July 2024. I've focused my provisional decision on two key outstanding issues.

Mrs H said Intact's contractors moved her items into her shower room at the start of the claim. Mrs H complained that Intact failed to put them back and this made her home uninhabitable. Mrs H also said Intact should pay her alternative accommodation costs from March 2024 to January 2025 as she didn't have a functioning kitchen during this time.

In recognition of its poor service, Intact agreed to pay Mrs H £1,000 compensation for distress and inconvenience. This was in recognition of failings such as delay in making decisions and payments, which caused avoidable delays and upset to Mrs H.

Intact also addressed Mrs H's complaint about moving items from the shower room. Intact said it wouldn't be asking its contractors to do anything more in response to this issue as its contractors hadn't been involved in putting the items in the shower room to start with.

In response to Mrs H's complaint about Intact paying for alternative accommodation costs, Intact said that Mrs H's home was habitable from March 2024, and the snagging issues Mrs H had raised didn't make Mrs H's home uninhabitable. In recognition of Mrs H not having access to a fridge freezer and functioning oven during this time, Intact said it had paid Mrs H disturbance allowance at a rate of £10 a day.

Mrs H rejected these findings. Mrs H said her kitchen was still in a state of disrepair in March 2024. Mrs H said she couldn't access the shower room with all the things still inside, and it was another reason her home was uninhabitable.

Mrs H brought her complaint to the Financial Ombudsman Service for investigation. The Investigator recommended Intact cover Mrs H's alternative accommodation costs from March 2024 to January 2025, support Mrs H with removing items from the shower room to allow Mrs H to make use of this room and carry out outstanding repairs to the oven and cupboards in the kitchens.

Intact didn't accept the Investigator's findings, saying its offer to pay disturbance allowance for the period between March 2024 until the oven was repaired was reasonable. It also reiterated its point about contractors not being responsible for removing items from the shower room. Mrs H didn't respond to the Investigator's findings. As the complaint couldn't be resolved it's been passed to me for decision.

I issued a provisional decision on Mrs H's complaint. This is what I said about what I'd decided and why.

what I've provisionally 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's happened or been argued is set out above, I've read and considered everything that has been provided.

Payment of alternative accommodation claim

The crux of Mrs H's complaint concerns Intact's decision to pay disturbance allowance instead of her alternative accommodation costs. 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. I've considered the evidence to determine whether Intact has acted fairly and reasonably in reaching its decision on alternative accommodation costs.

I recognise Mrs H's strength in feeling about her complaint, and what Intact should do to put things right. But I'm satisfied Intact's offer to pay disturbance allowance for the period in question is fair and reasonable. I'll explain why.

Mrs H stayed in alternative accommodation for the duration of repairs between December 2023 until March 2024. Mrs H chose this alternative accommodation herself based on the location being close to where she could attend hospital appointments if she needed to, and reflecting the fact that she didn't have a car to use for transportation. The repairs took longer than they should've. Intact rightly paid for Mrs H to stay in the same alternative accommodation until the repairs had been completed around March 2024.

Intact say repairs were completed on Mrs H's home by this time. I think there's reasonable evidence to support that although most of the reinstatement work agreed for Mrs H's home had been done, there was still several snagging issues that needed attention. Intact accept this fact. And I've seen that in reflection of this, it agreed to pay Mrs H disturbance allowance at a rate of £10 a day until January 2025 when the oven was fixed.

Mrs H says this payment doesn't reflect her home being uninhabitable and not being ready to move back into. I've carefully considered Mrs H's comments. And I recognise how difficult it must've been to go through the stress of the escape of water incident, the move to alternative accommodation, and feeling that repairs to her home hadn't been completed to the standard she was expecting. But I must balance this with what Intact should reasonably have done in the circumstances.

It's not disputed that Mrs H's fridge freezer and oven were not ready to use. For a long time, Intact rejected responsibility for replacing the fridge freezer. And repairs to the oven weren't completed until much later in the claim. Intact offered Mrs H disturbance allowance in recognition of this. And based on the evidence I've seen, I'm satisfied this is fair.

I say this because Mrs H's kitchen was unusable following the claim. Intact paid Mrs H disturbance allowance at a rate of £10 a day from the start of the claim until Mrs H moved into alternative accommodation. I haven't seen any evidence to indicate that this amount wasn't suitable for Mrs H's needs and expenses as a result of being without a functioning kitchen.

I've considered Mrs H being without a functioning kitchen, with a payment of disturbance allowance, for many months before alternative accommodation was agreed. And I'm persuaded this is broadly the same position Mrs H was in around March 2024 when she was asked to move back into her home- except this time she did have at least a partially functioning kitchen (accepting that some repairs were still outstanding). Based on this evidence, it's not unreasonable to conclude that whilst not completely repaired, Mrs H's home was still a useable and practical place to live, and not entirely different to the living experience Mrs H had encountered after the escape of water incident happened.

It's not disputed that the kitchen still needed some repairs in March 2024, when Intact said it was ready to move into. But I don't think the extent of the outstanding work was such that Mrs H needed to stay in alternative accommodation.

The outstanding work included plinth boards that hadn't been put in. And compartments in the cupboards that hadn't been inserted. There was also the issue of the fridge freezer which Intact denied responsibility for until very late in the claim. But all things considered, the rest of Mrs H's home was habitable. And whilst the kitchen wasn't fully functional; I'm persuaded the disturbance allowance offered reflected this inconvenience.

I've also considered that it's important any award or direction I make reflects Intact's poor claims handling- not the impact of the incident itself. So, whilst I recognise the difficulties of all that happened after Mrs H made her claim, I need to balance this with what I can see Intact is responsible for, and what it has offered to do to put things right. And when considering the disturbance allowance offered, I'm persuaded this is reasonable given what's been presented about the extent of repairs that were outstanding, and the likely impact of this on Mrs H's ability to use her home.

I know that Mrs H will be disappointed with this decision, having already received a recommendation from the Investigator that this part of her complaint should be upheld. However, both parties are entitled to appeal to an Ombudsman - the final stage in our process - and it is my role to review the matter afresh and make my own decision as to the appropriate outcome. It is only an Ombudsman's decision that is binding.

Having received this complaint, I am required to determine it by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case. And having considered everything carefully, I have provisionally determined that further payment to cover alternative accommodation is not fair and reasonable. So, I'm minded not to ask Intact to do anything more in response to this complaint.

Removal of items from shower room

Mrs H says Intact is responsible for moving items from the shower room as its contractors moved them in the shower room at the start of the claim. Intact say its contractors deny any items were moved by them into the shower room at any point before or during repairs.

When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances.

Intact has provided images showing photos taken of the shower room in November 2022 when the claim was reported. These photos show several items stacked in the shower room. I'm persuaded that its more likely than not that these items were there when Intact's contractors attended to Mrs H's home to inspect the damage, and before repairs started.

I've considered Mrs H's vulnerabilities. And I recognise this process has had many challenging aspects, and Intact has often let Mrs H down in its dealings with her. But the complaint I'm looking at is concerned with whether it would be fair and reasonable to ask Intact to arrange for Mrs H's items to be moved. And based on the evidence I've seen, I'm not persuaded it would be.

I say this because although I recognise the difficulty in Mrs H moving the items herself, I have to balance this with what I'd expect Intact to cover within the scope of the claim, and whether what it has done is fair and reasonable. And given that the photos show there were already items stored in the shower room, before Intact's involvement with the claim, I don't think it would be fair or reasonable to ask Intact to remove the items as part of settling Mrs H's claim. So, I'm minded not to ask Intact to do anything more in response to this complaint.

Claim handling

Intact accept that its claims handling has been poor. My decision has considered the impact on Mrs H over the period from the date of the final response letter issued in June 2024 up until the date of the final response letter issued in January 2025. Intact has paid Mrs H £1,000 for its poor claims handling during this time, and the impact on Mrs H. I think this amount is broadly in line with what I'd direct in the circumstances.

As the business responsible for managing the claim, and having also been aware of earlier delays on the claim, Intact should've done more to support Mrs H in completing the repairs to her home in good time. It could've achieved this by taking a more pro-active approach in managing Mrs H's claim, and ensuring timely progression of it, on issues such as agreeing repair of the fridge freezer, and making payments for other agreed repairs on time. Intact's failure to do this meant that there were avoidable delays on the claim, which Mrs H should be awarded compensation for.

It's not disputed that a claim of this type, involving a large scope and costs, can be subject to delays because of the level of scrutiny required to ensure decisions are in line with the policy terms. But as Intact was responsible for managing the claim, it should've done more to support Mrs H by providing regular and meaningful updates, and progressing the claim in a timely way. Intact's failure to do this meant that there were parts of the claim which were not efficiently progressed, and Mrs H was left chasing for updates.

In respect of Mrs H not having access to a fridge freezer, Intact conceded on this point very late in the claim. Given the value of the claim versus Mrs H's vulnerabilities and not having access to a fridge freezer to prepare and store food, Intact could've been much more proactive in dealing with the claim and settling this aspect (as it later chose to do). There were also other instances where decisions were slow and delayed, resulting in Mrs H

continually having to chase Intact. Given her recognised vulnerabilities, Intact should've done more to support Mrs H.

When thinking about the impact on Mrs H because of Intact's poor claim handling, I think the payment of £1,000 made is reasonable compensation in recognition of what has happened, the period of delay, and the impact on Mrs H. I'm persuaded this recognises the impact on Mrs H because what went wrong with the handling of the claim but also takes into consideration that the overall outcome of Mrs H's main complaint about alternative accommodation hasn't changed. And Mrs H's frustrations largely stem from this part of her complaint. All things considered I'm minded to say Intact's offer of compensation is reasonable, and it doesn't need to pay anything more.

Oven and kitchen cupboards

The review of the case indicates Mrs H's oven and kitchen cupboards have now been repaired. So, I'm minded not to ask Intact to do anything more in response to this complaint.

My provisional decision

For the reasons provided I'm minded not to ask Intact Insurance UK Limited to do anything more in settlement of Mrs H's complaint.

The responses to my provisional decision

I invited both Mrs H and Intact to respond to my provisional decision. Intact accepted the provisional decision. Mrs H didn't accept the provisional decision, citing her reasons for why Intact needs to do more to put things right.

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 carefully considered all the points raised by Mrs H. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

The scope of my decision when considering Intact's claim handling has considered its service from the date of the final response letter issued in June 2024 up until the date of the final response letter issued in January 2025. In line with our rules I can't comment on the service provided outside of this time. Mrs H's response to the provisional decision makes it clear that she remains unhappy with Intact's handling of her claim after January 2025. But that's not something I can look at now.

I'm satisfied my provisional decision has carefully considered the service provided by Intact, included where it's service could've been better, and the impact of this on Mrs H. I'm persuaded my direction for putting things right is reasonable and in line with our approach. It's disappointing to hear that there are still concerns with Intact's handling of the claim. But for the reasons I've explained, it's not within my scope to consider these issues at this time.

I would urge both parties to work together to try and resolve Mrs H's concerns and ultimately allow the claim to achieve closure. In the meantime, in line with our rules, Mrs H will need to raise any new issues with Intact to respond to first. Should Mrs H's concerns remain unresolved, this would be the subject of a new complaint.

I've carefully considered Mrs H's submissions. But I don't think these comments materially change the outcome of Mrs H's complaint. I'm satisfied my provisional decision set out the crux of Mrs H's complaint and why Intact's offer to put things right is fair and reasonable. So, I won't be asking Intact to do anything more in settlement of Mrs H's complaint.

My final decision

For the reasons provided I'm not asking Intact Insurance UK Limited to do anything more in settlement of Mrs H's complaint.

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

Neeta Karelia
Ombudsman