

## The complaint

Mr and Mrs K are unhappy with how their claim has been handled and progressed and they're disappointed with the compensation offered by UK Insurance Limited ("UKI") under their home insurance policy. Mr and Mrs K had representation for the complaint, but for ease and simplicity, I'll only refer to Mr and Mrs K.

## What happened

Mr and Mrs K made a claim when an engineer discovered a water leak from their hot water pipe. Damage was caused to their downstairs cloakroom, kitchen and living room.

UKI appointed its representative to review the damage and manage the claim. UKI's representative appointed a contractor to carry out an excavation of the kitchen floor with a view to allowing a plumber to access and stop the leaking in the pipe.

Mr and Mrs K were unhappy with the delay in the contractor attending to complete these works and felt UKI's representative should've been in attendance when the work occurred. Consequently, the contractor excavated too deeply and in the wrong place, so the leak wasn't stopped. UKI's representative finally attended and stopped the leak two weeks later.

UKI apologised for the poor communication with the claim and arranged for drying equipment to be in place before the floor in the kitchen could be backfilled. During this period, UKI arranged alternative accommodation as Mr and Mrs K didn't have access to running hot water / heating. However, Mr and Mrs K were unhappy with the short-term arrangements for the accommodation and felt under pressure due to the need to keep re-booking the accommodation. UKI acknowledged it should've taken a longer-term perspective on accommodation needs and paid £250 for the issues Mr and Mrs K experienced.

Mr and Mrs K doesn't think the compensation is reasonable for the experience they've had.

Our investigator decided to uphold the complaint. He thought UKI should've demonstrated a better standard of customer service, so he increased the compensation by £150 (to £400 in total). Mr and Mrs K disagreed, so the case has been referred to an ombudsman.

## 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.

From the correspondence received from Mr and Mrs K, I want to clarify the jurisdiction I have to decide on their complaint. I'm only able to respond to issues that Mr and Mrs K raised with UKI directly and which UKI had the opportunity to respond to. I can see UKI made a final response to these issues on 8 May 2025. So, my decision has only considered the time until this final response.

Mr and Mrs K have made representations to me that go beyond this date, but as I haven't seen that these points have been directed to UKI, I won't consider these additional points here. Mr and Mrs K can make a new complaint to UKI on these points should they wish to.

So, as the claim was raised at the end January, I'm considering a period of just over three months in my decision. Mr and Mrs K have said they expect UKI to pay compensation of at least £30,000 for this period and beyond, plus any reimbursements.

I've reviewed examples of the reimbursements Mr and Mrs K have made to UKI, such as over £4,000 for flights to a foreign country, or taxi fares to and from the airport. I think Mr and Mrs K in their compensation calculation have included claims that are tenuous and impossible to link to the direct actions of UKI.

Therefore, I think it's beneficial in me briefly explaining the purpose of an insurance policy. Its purpose is to protect policyholders in the event of certain one-off events. In Mr and Mrs K circumstances, they should expect the damage to their property from the leak to be reinstated to a standard consistent with the pre-loss condition of the property. The policy also provides for reasonable alternative accommodation whilst repairs are carried out (if the property isn't habitable). It doesn't provide for flights abroad or accommodation abroad, and expenditure would need to be pre-approved. Therefore, I think the compensation and / or expenses expected by Mr and Mrs K are unrealistic.

In any claim there will be distress and inconvenience experienced. However, it should be noted the insurer didn't cause the incident and therefore can't be held accountable for the normal disruption the incident and claim will cause. So, I would only be considering compensation for actions UKI has taken which has led to direct consequences for Mr and Mrs K. The compensation isn't there to punish an insurer, but to offer a fair and reasonable amount to allow for any distress and inconvenience suffered.

Having reviewed the claim notes during the period of this claim, I can see there are several small impacts caused by UKI actions, including:

- Alternative accommodation (AA) – I think this process could've been a smoother experience for Mr and Mrs K. AA should've been assessed earlier, and whilst there isn't evidence to show exactly when Mr and Mrs K informed UKI they didn't have heating and / or running water, I'm persuaded UKI could've taken faster action.
- Communication – there is evidence Mr and Mrs K had to chase for updates related to their claim. Whilst UKI shouldn't need communicate on a daily basis, I think there's evidence UKI representatives could've done more to pro-actively keep Mr and Mrs K informed.
- Poor workmanship – the kitchen excavation was done in the wrong place leading to a delay in stopping the leak, and a greater amount of backfill was required.

Part of the timeframe of this claim, was waiting for the area from the leak to dry, so I can't hold UKI accountable for this. However, there is a period of between one month and two months where I think UKI's representatives did delay the progress of the claim. The impact of this was partially mitigated as UKI provided AA. However, Mr and Mrs K have been inconvenienced during this period, and the poor communication would've been distressing. Therefore, I uphold this complaint.

However, as I said before, I don't think Mr and Mrs K's compensation expectations are reasonable. I think an award of £400 (£150 more than what was offered) is fair for what went wrong in this period. I did consider a higher award, but as I find some of Mr and Mrs K's claims for compensation and expenses to be exaggerated and tenuous. I'm persuaded on balance, that this is the correct award in these circumstances.

## **My final decision**

My final decision is that I uphold this complaint. I require U K Insurance Limited to pay Mr and Mrs K:

- £150 additional compensation – for distress and inconvenience (£400 in total, so if any of this hasn't yet been paid, UKI should ensure this is paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 2 February 2026.

Pete Averill  
**Ombudsman**