

## **The complaint**

Mrs S complains that U K Insurance Limited trading as Direct Line, has treated her unfairly when handling a claim made on her landlords home insurance policy.

Mrs S says that UKI and its appointed loss adjuster provided poor service when handling the claim. It provided incorrect information and tried to apply exclusions that aren't relevant to the claim event and this delayed the overall settlement of the claim.

## **What happened**

The background to this complaint is well known to both sides, so I'll summarise the issues below and focus on the relevant issues within my decision.

A claim was made in November 2024 for storm damage to Mrs S's rental property. UKI declined to provide cover for the damage and Mrs S raised a number of concerns about its decision and the terms it had relied on when doing this. She said the appointed loss adjuster provided incorrect information and advice which shouldn't have been provided. Mrs S complained about the progress of the claim soon after it had been raised and complained about the initial repudiation decision. Mrs S' complaint included the following concerns:

- UKI and its agents failed to recognise that Mrs S was vulnerable and should have been considered as such, having recently experienced the bereavement of her father.
- UKI unfairly attempted to rely on exclusions which were not relevant to her claim and the peril in question.
- The behaviour of the loss adjuster was unreasonable with Mrs S saying the male member of staff were sexist, misogynistic and carried out bully boy tactics.
- Advice was provided about the next steps that Mrs S should take with the property which were dangerous and shouldn't have been provided.

Overall, Mrs S felt UKI was doing its best to avoid paying the claim instead of looking to support her as a customer with a valid claim and she has concerns about this being a wider behaviour issue which needs looking into.

On 5 February 2025, UKI issued a final response to the complaint points made and set out a revised claim decision. It said it was willing to accept the claim and cover the costs incurred by Mrs S when she had the work completed herself. It also paid Mrs S £500 for the distress and inconvenience added with the handling of the claim. It didn't agree with all of the complaint points made, but felt it was clear there was issues with how the claim was handled.

Our investigator looked at this complaint and set out that this Services role is to look at individual complaints. So, while we may share insight with the Financial Conduct Authority (FCA), wider reviews of market practice are something which would fall to its supervisory function. They also explained that we would not make a finding on discrimination and

whether there was a breach of any discrimination laws. This would be for the courts to decide. But we can consider the impact of the service provided.

They didn't think UKI had acted unfairly with how the claim was assessed. They said when the claim was being validated, there is no claim decision. So, at this point, UKI was not acting unfairly when it said it couldn't provide cover for the cost of the emergency scaffolding, as it wasn't clear whether the damage was something it would be covering as an insured loss.

They said, when a claim is made, it is for the claimant to demonstrate they have a valid claim and UKI as the respondent, is entitled to confirm whether it agrees the claim has been proven. The investigator felt the claim was relatively complex and the requests made by UKI for additional information were fair and reasonable. It needed to be established whether the damage could be considered storm damage and UKI was fair to assess this by asking for more information from Mrs S, including surveyor reports.

With the claim having now been accepted and settled, he didn't need to comment on whether the claim outcome was fair and reasonable. While they couldn't confirm what was said between the loss adjuster and Mrs S and her mother, he accepted the overall service was not great and it was clear Mrs S had been distressed and inconvenienced during the claim journey. But they felt the award of £500 in recognition of this was fair.

Mrs S said she didn't accept the outcome as she didn't think the most serious part of her complaint had been addressed.

Mrs S asked, whether as part of UKI handling a claim and repudiating it, is it allowed to apply an exclusion that does not apply to the part of the cover where the claim is made. She feels UKI was applying an exclusion which did not exist and its staff should be able to understand and apply the policy in place.

Our investigator maintained that they didn't think UKI had done anything wrong when reviewing the claim. It was entitled to ask for more information as part of the validation process and if it thinks an exclusion is relevant, explain why this is applicable. Mrs S was able to challenge this which she successfully did and he didn't think there was an issue with UKI relying on information or terms that it shouldn't be.

Mrs S maintained her main complaint about this issue and the outcome on it was not accepted and she asked that the complaint be referred for decision with a focus on this. She added a number of questions related to this complaint point for consideration, which I've listed below.

Mrs S asked if claim handlers are allowed to over-ride the determinations of structural engineers. Can UKI mix and match exclusions to deny claims and bypass policy wording and is the behaviour experienced in this claim, to be expected when businesses defend a claim.

I issued a provisional decision on this complaint on 10 October and explained that I didn't think UKI needed to do anything else now. Although there had been delays with the claim and its progress, I didn't think it had been shown UKI was attempting to apply exclusions that were not relevant. Instead, it was validating the claim and determining whether the cause of damage was consistent with the peril being claimed under. A copy of what I said is set out below:

*I'm not planning on upholding this complaint. I appreciate this will be disappointing for Mrs S, but I'll explain why I don't think UKI needs to do anything else. This is primarily because I*

*think there has been failings with the way this claim was handled, but I think the steps taken to put this right are fair and reasonable.*

*Mrs S has set out several concerns about UKI and its handling of this claim. This includes it failing to recognise her as a vulnerable consumer at the time of the claim following the recent passing of her father.*

*I am sorry to learn of the bereavement and this will have made her vulnerable with this significant life event. UKI said it followed its procedure when recording this information, but I've not seen this was acknowledged and with the frustration Mrs S was having with the claim decision, it is understandable why she doesn't think it was doing what it needed to here. And just placing a marker on its system does not mean it has treated Mrs S fairly.*

*I've focused on the crux of this complaint and what Mrs S has highlight she has ongoing concerns about. So my focus is on the actions taken by UKI and its loss adjuster when deciding the claim. Mrs S feels there is a risk of it taking actions which have potentially caused harm to her but could also result in many other customers being treated unfairly. She feels this should be investigated on a wider scale and whether UKI is failing to review claims correctly with customers receiving unfair outcomes.*

*Our investigator explained this Services role is to consider individual complaints and concerns about wider practices, would be for the FCA to consider. So, while I understand the concerns raised, I have focused on whether UKI was acting fairly with the handling of this claim and the questions Mrs S has raised about this.*

*When a claim is made, as our investigator has said, it is for the insured to demonstrate there is an insured event. With this claim, the peril being claimed under was for storm damage. So, it needed to be proved that the damage caused was consistent with a storm.*

*This Service has a defined approach for considering this with three questions to be asked. Although the claim has now been accepted, I think it is right this is explained as it gives context to why UKI was referencing damage and whether this was consistent with storm damage. The questions to work through here are:*

- 1. Were there storm conditions?*
- 2. Is the damage claimed for, typical for a storm?*
- 3. Is the storm the main or dominant cause of the damage?*

*If the answer to all three of these questions is yes, we would expect a business to accept a claim for storm damage.*

*When assessing this claim, UKI was able to see there were wind speeds recently recorded which could be a storm and the answer to question 1, was a yes. It was question 2 and 3 which it felt needed clarifying. In short, it wasn't sure whether the damage claimed for was typical for storm damage and if so, was the storm the main or dominant cause.*

*With the movement to the roof structure, UKI felt while the damage could be typical for storm damage, the level of damage could be the result of an underlying issue. So, it couldn't confirm whether the storm was the main or dominant cause.*

*I think UKI and its agents could have done more to explain this to Mrs S as there was times when it referred to things outside of the test. This made it look like exclusions not relevant to the insured event were being referenced and this caused distress.*

*I think the loss adjuster letter provided on 7 January 2025, explained why the claim was not being accepted and went some way to setting out the reasons for this and the test which is normally applied. The claim decision at this point was to decline the claim because the underlying cause of the damage appeared to be the inadequate construction of the roof – so it hadn't been shown the storm was the main or dominant cause of the loss. But previously UKI had referenced terms like "wear and tear" and "latent defect", which left Mrs S understandably concerned about how these terms applied to her claim and whether there was an exclusion being used she wasn't aware of.*

*UKI and its claim handlers will review the information provided and make a claim decision on whether the peril being claimed for should be accepted. Not taking the opinion of one expert over another does not demonstrate they are doing this unfairly. But it needs to be evidenced that the decision to follow one expert over another has been reached fairly.*

*Mrs S provided UKI with information about the roof's previous condition, including comments from her builder and pictures to demonstrate the outside of the property and expert opinion on the damage already provided with the structural engineer reports. It was after review of this, with the tests I've outlined above being applied, UKI made the decision to accept the claim.*

*With the claim decision, I understand why UKI had concerns about the damage and whether the storm was the main or dominant cause. I agree it was entitled to question this and it acted fairly when it reconsidered the information provided by Mrs S in response to its initial repudiation. But as I've set out, I think it could have been clearer on the reasoning and this could have reduced the distress and inconvenience on Mrs S. And had it applied this test sooner, it could have avoided a delay in the claim being accepted.*

*I don't think there is any evidence of UKI looking to mix and match policy terms and exclusions. It could have been clearer on the approach being taken and its right it recognises the failings here.*

*Mrs S made it clear that she wanted support in bringing her claim to a resolution. She was a vulnerable customer and I don't think she was treated fairly or with the level of support that I would expect. Mrs S's mother also helped to support her with the claim and was likely impacted by the service here too, but as she is not the customer of UKI, I cannot consider her distress.*

*UKI has offered Mrs S £500 to recognise the impact of its claim handling and failings. I think this is a fair amount to reflect the impact on Mrs S. So, while I accept failings have been made with the handling of this claim, I am not going to ask UKI to increase this.*

*Overall, I cannot comment on whether the service here is typical of what to expect. This would be a sweeping statement which I cannot make. The outcome data on the complaints we consider is available on our website and Mrs S can review this. And any broader concerns she has can be passed to the FCA for it to consider as part of its supervisory work.*

*I appreciate things have gone wrong during this claim process but this has been recognised with the award made and I see no reason to ask UKI go further.*

*Mrs S responded to the decision to ask if I was endorsing UKI and its agents attempting to apply exclusions which are not relevant – she reiterated this is what she wanted a decision on. UKI said it had nothing further to add and the complaint was passed back 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.

With no new information provided from either side, I see no reason to depart from my provisional decision set out above.

I don't think UKI needs to do anything else now, as although there was clearly some failings with the handling of the claim, I think the offer made to put things right is fair.

Importantly to the point Mrs S wants clarification on, I don't believe UKI was attempting to apply exclusions to her claim, simply with a view to avoid paying it. I set out the approach which is expected when a claim is made and in insurer validates a claim.

I won't repeat the steps again here as they can be read above. But I am satisfied UKI was simply ascertaining whether the damage was consistent with storm damage and whether this was the main or dominant cause of the damage. It is entitled to do this when validating a claim and it wasn't trying to add exclusions which are not part of the policy.

### **My final decision**

For the reasons I've set out above, I don't uphold Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 November 2025.

Thomas Brissenden  
**Ombudsman**