

The complaint

Mr B complains about the way U K Insurance Limited, trading as NIG, handled a buildings insurance claim in relation to travel costs.

Reference to NIG includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Following water damage in early 2024, NIG accepted a claim for damage to the buildings. Mr B moved out of his home due to the damage.
- In May 2025, Mr B said he'd incurred travel costs when visiting his home to, amongst other things, facilitate inspections, mitigate further damage, and supervise NIG's contractors. He asked NIG to reimburse his future travel costs.
- In June 2025, NIG provided its complaint response. It said it wouldn't pay for travel costs, as they weren't covered by the policy. However, if Mr B thought any travel costs went beyond 'general claim handling', Mr B could submit evidence for further consideration.
- Mr B said NIG had originally indicated the damage would be repaired by September 2024. Between then and June 2025, he'd made 12 visits at a cost of £1,296. He asked NIG to reimburse him this cost. He later said he'd made another visit, in July 2025, at a cost of £108. He asked NIG to consider that cost too.
- NIG maintained its complaint response and said the costs Mr B had raised since then would need to be considered separately.
- Mr B said he'd made at least five visits prior to September 2024 at a cost of £540 and asked NIG to pay that too.
- NIG reiterated the policy didn't cover travel costs. And it didn't think Mr B had shown any of his visits fell outside of 'general claim handling'. It later also said the disturbance allowance ("DA") NIG had been paying Mr B, at £800 per month, would account for any travel costs – unless Mr B could show the DA was insufficient to cover his additional living costs.
- By late July 2025, NIG sought to arrange a visit with Mr B to finalise the schedule of work. Mr B said a further visit would incur further cost, so he would only visit if NIG agreed to pay him for doing so. He said he would need to visit twice, at a cost of £218. NIG initially maintained it wouldn't pay for any travel costs. But, in early August 2025, it agreed to pay £218 as a one-off, without prejudice payment to enable the claim to progress. The payment was made later that month.

- Our investigator thought NIG acted fairly. Mr B disagreed, so the complaint has been passed to me.

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.

When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

Scope of this decision

As I understand it, Mr B asked NIG to pay £1,944 for the cost of eighteen visits, at £108 per visit, for visits from the start of the claim up to July 2025. NIG declined to do so.

Mr B asked NIG to pay £218 for the cost of two additional visits after that. NIG agreed to do so. As a result, I don't see a need to consider these two visits further. So I'll limit my consideration to the first eighteen visits. I won't consider any further travel costs beyond the twenty visits described here, or any other matters related to the claim, in this decision.

Travel costs for first eighteen visits

I agree with our investigator that NIG acted fairly. I'll summarise the main points to explain my reasoning:

- The Insurance Conduct of Business Sourcebook ("ICOBS") applies to NIG when handling a claim. ICOBS 8.1.1 (1) says an insurer must handle claims promptly and fairly. And ICOBS 8.1.1 (3) says an insurer must not unreasonably decline a claim.
- The policy doesn't cover travel costs. So there's no contractual obligation for NIG to pay for any of them.
- Whilst Mr B says NIG nonetheless has a duty to pay these costs under the principle of indemnity, I disagree. The principle of indemnity only applies insofar as costs are insured by the policy. NIG has accepted the water damage is insured by the policy, so I would usually expect it to indemnify Mr B in relation to that damage. But it has no duty to indemnify him in relation to uninsured costs, even if they arise as a result of the insured damage.
- Mr B says this Service has long recognised that travel costs are recoverable. I agree we *may* require an insurer to pay such costs in *some* circumstances – but not always. I'll explain our general approach.
- I would only require an insurer to pay uninsured costs if I thought it was fair and reasonable for it to do so. And that would usually only possibly be the case in relation to this kind of uninsured travel cost *if* I were satisfied an additional cost had been incurred – *and* it was over and above the level which was an inevitable part of dealing with the claim. There are other considerations, but these would be the first and second.

- NIG hasn't disputed that Mr B visited as many times as he said he did, or the costs he said he incurred. Were it not for the claim, Mr B wouldn't have incurred the costs. So I think it's fair to say these travel costs are additional. And the first consideration has been fulfilled.
- Most claims inevitably involve a degree of inconvenience for the policyholder, particularly when there's significant property damage. It usually means the policyholder has to take the time, and potentially incur a cost, to facilitate visits from the insurer and its contractors. For example, to assess the damage, establish and carry out a scope of repairs, and the like.
- All this inconvenience, and potentially cost, is part and parcel of dealing with a claim. It isn't covered by the policy, and isn't something I would hold against the insurer, even though it arose as a result of the insured damage. It's simply an unfortunate, unavoidable, and uninsured consequence of the damage.
- However, where an insurer avoidably adds to the cost and inconvenience, I may hold that against the insurer and expect it to take steps to put things right.
- The scope of this decision doesn't include the wider claim handling, so I haven't considered that. But I think it's a matter of fact that NIG has accepted the claim was handled poorly at times. I note it paid compensation of £1,500 in 2025 for this reason.
- As a result, I think it's fair to say that at least some of Mr B's visits, and the consequential travel costs, weren't an inevitable part of dealing with the claim and were avoidably caused by NIG. So the second consideration has been fulfilled, at least for some of the travel costs.
- Ordinarily my next step would be to consider exactly which visits and travel costs were inevitable, and which were avoidable, to determine how much NIG should pay to put things right. But, in this case, NIG notes it's been paying a DA of £800 per month during the claim, and it considers this covers or takes into account any avoidable travel costs Mr B paid – unless he can show otherwise.
- At the time of the complaint, NIG had paid Mr B over £14,000 in DA payments. Even if I assumed for now that all of the visits and travel costs were avoidably caused by NIG, it's paid Mr B far more than the amount he's asked for – £1,944. So, on the face of it, NIG has therefore already paid Mr B for any avoidable travel costs.
- NIG invited Mr B to let it know if his additional living costs were such that the DA was insufficient to cover those costs and the travel costs. Mr B didn't say they were. So I'm satisfied NIG has already paid Mr B for any avoidable travel costs.
- Mr B may consider it unfair for NIG to take into account any avoidable travel costs within the DA. I don't think it was clear from the outset that this could be the case, so Mr B may quite understandably have suffered a loss of expectation. However, these kinds of additional costs are within the usual scope of a DA, so I'm satisfied it's fair for NIG to take them into account in this way.
- And I think it's fair overall to bear in mind that NIG had paid Mr B over £14,000 by that time, without asking for evidence of expenditure. This amount wasn't to cover a specific financial loss or to pay compensation for non-financial loss. So, unless Mr B

were to show that amount was insufficient as set out above, I don't think it would be reasonable for me to set it aside and require NIG to pay up to £1,944 more.

- Nonetheless, I'm satisfied Mr B has likely suffered a loss of expectation. The scope of the DA wasn't clearly set, and I think that allowed Mr B to reasonably expect it to be separate to travel costs. I think that mistake likely caused a material degree of distress and inconvenience.
- I note NIG paid £218 for the cost of two additional visits – which, for the reasons given above, I don't think it was required to. In my view, that payment is sufficient to act as compensation for the distress and inconvenience caused by NIG. I think it means Mr B has, overall, been treated fairly and reasonably by NIG.
- I'm satisfied NIG has acted in line with ICOBS, other relevant rules and regulation, the policy, and fairly and reasonably overall, in relation to the scope of this decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 February 2026.

James Neville
Ombudsman