

## **The complaint**

Mr and Mrs K are complaining about the way U K Insurance Limited (UKI) has handled a claim they made on their buildings and contents insurance policy.

Mr K has largely handled the claim and complaint on their behalf. So for this reason I'll referred to him solely in my decision.

## **What happened**

In September 2024 Mr K contacted UKI to say his house had been struck by lightning and this had caused damage to the property and some of its contents. Mr K has raised several complaints about the way UKI has handled his complaint. In summary he raised the following points:

- UKI cash settled his complaint and he's unhappy with the amount it's paid for some of the items. He considers it owes him around a further £825.
- UKI didn't respond to emails and requests for telephone calls.
- He thinks some of UKI's call handlers have lied to him.
- UKI didn't send a DSAR request he'd made.

Over four final response letters UKI paid him £825 in compensation. But it maintained its claim settlement was fair.

Our Investigator didn't uphold this complaint as he said UKI had paid Mr and Mrs K what it considered it would cost to replace the goods. And he thought it had already paid fair compensation for the service issues.

Mr K didn't agree and provided a number of detailed responses. In summary he said the following:

- He wanted UKI to pay him how much it would cost to replace the goods from the supplier who he bought the items from initially. And he said the policy required UKI to pay him the full cost of each item.
- He says UKI and the Investigator hasn't referred to the policy terms in full and only refer to a part of it.
- He thinks it's contrary to the Consumer Rights Act 2015 ('CRA') that UKI is allowed to dictate how to settle a claim. And he considers this to be an unfair term.
- He doesn't think the Investigator had considered UKI's actions in line with all the policy terms.
- He considers UKI's actions to be contrary to the Financial Conduct Authority's DISP rules and the Wednesbury test of reasonableness.

As Mr K didn't agree with the Investigator, the complaint's been passed to me to decide.

## **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 decided to not uphold this complaint and I'll now explain why.

I should first set out that I acknowledge I've summarised Mr K's complaint in a lot less detail than he's presented it. Mr K has raised a number of reasons about why he's unhappy with the way UKI has handled this matter. I've not commented on each and every point he's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Mr K and UKI, however, that I have read and considered everything they've provided.

I also need to set out the scope of what I can and can't consider in this complaint. Firstly, apart from in specific circumstances, I can only "*consider a complaint if the complainant refers it to the Financial Ombudsman Service more than six months after the date on which the respondent sent the complainant its final response*". UKI has issued a number of final response letters for complaints raised by Mr K. However, Mr K referred this complaint to this Service on 5 June 2025. So I can only consider complaints where a final response letter was issued after 6 December 2024.

Further to this, in this decision, I'm also unable to consider UKI's actions after the final response letter it issue on 9 April 2025. Mr K is unhappy with UKI's actions after that date. But that's being considered under a separate reference. So I won't be commenting on anything that's happened after 9 April 2025.

There are two issues for me to consider in this complaint; UKI's claim settlement and its general customer service. I shall consider each point separately.

#### *Claim settlement*

I note Mr K has said UKI hasn't referred to the policy terms in full. But I don't agree. It has fairly referred to the relevant section of the policy that covers Mr K's loss. And the terms of the policy say UKI is required to do the following in settling Mr K's claim:

#### ***"How we settle claims***

*For any item of contents that is lost or damaged we will choose whether to:*

- *replace or repair the item or part*
- *pay the cost of replacing or repairing the item or part, up to the amount it would have cost us to replace or repair using our own suppliers, or*
- *make a cash payment.*

*We won't pay more than the amount it would have cost us to replace or repair using our own suppliers.*

*If appropriate parts or replacement items are not available, we will pay the full cost of the item, provided the sum insured is adequate."*

So, like every other similar policy on the market, UKI has the right to decide how it wishes to settle the claim. Mr K says he believes this would be an unfair term under the CRA. But I don't agree. Mr K has asked UKI to cover his loss and it's not unreasonable for an insurer to decide what's the best way to do this. But, it must exercise this right fairly and ensure that Mr K is indemnified for his loss.

I recognise that Mr K thinks UKI should pay what his supplier would charge for the damaged items. But I don't agree. The terms of the policy specifically say UKI isn't required to pay more than it would pay its supplier to replace the item. And it has shown it based its voucher values on the basis of how much it would cost to replace the damaged items with ones of the same specifications (and to some respect a higher specification).

I recognise Mr K has said he would like a cash settlement to use his chosen supplier. And he's said the difference between what UKI has said it would pay against what it would cost him to use his supplier is £825. I do not dispute that. But UKI is entitled to decide what supplier it would like to use. And I'm satisfied Mr K could have used the voucher value to replace the items with ones of similar specifications for the amount UKI has said it would pay.

I've considered that Mr K's supplier will also install the items. But I note UKI paid Mr K an amount to install the items – based on a quote Mr K provided. So I can't say this is fair grounds for UKI to not use its chosen supplier.

I've considered Mr K's reference to the Wednesbury test. But, as I said, UKI's actions in the way it has said it would settle the claim were reasonable and in line with standard industry practice. So I don't agree its actions are so unreasonable that no reasonable person acting reasonably could have made it.

Taking everything into consideration, I'm satisfied UKI has fairly looked to settle Mr K's claim in line with the terms of the policy and standard industry practice. So I'm not requiring it to do anything further.

#### *Customer service*

UKI has accepted it could have provided better customer service. And, for the complaints I can consider, it's accepted the following:

- There was a three-week period where it didn't send Mr K emails he'd asked it to resend.
- It failed to provide updates when Mr K asked for them.
- Mr K made a DSAR request for calls he'd had, but this wasn't actioned.
- One of its call handlers provided incorrect information on the telephone.

I agree with what UKI has said here. However it's paid Mr K £450 in compensation for this. I consider this to be fair and in line with what I would have awarded. I recognise Mr K has said he's found this matter to be very stressful and I've considered what he's told us about his vulnerability. But I think his upset primarily rests with the way UKI has said it would settle his claim and his strength of feeling about why he disagrees with the outcome. But, as I said, I'm satisfied it's acted fairly in this respect.

For the reasons UKI has already acknowledged, I do think UKI could have provided a better general customer service. But I think it's taken fair steps to put things right. So I'm not requiring it to do anything further to put things right.

#### **My final decision**

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 10 February 2026.

Guy Mitchell

**Ombudsman**