

The complaint

Ms N's complained Intact Insurance Limited haven't dealt fairly with the claim she made following an escape of water at her home.

What happened

In late 2017, Ms N's property was damaged when a blocked sewage pipe caused water and sewage to enter. So she made a claim to Intact.

The claim hasn't been resolved to Ms N's satisfaction. The details are well known to both parties but, to summarise, Intact appointed contractors to assess and complete repairs. Ms N wasn't happy with delays in dealing with her claim and she became unhappy with two different contractors. When this happened, Intact offered her a cash settlement. Ms N said this wasn't enough to enable her to get all the repair works she says are needed completed and she's been left in unsatisfactory living conditions for over eight years now.

Ms N complained to Intact and has brought two previous complaints to the Financial Ombudsman Service. In the first, Intact recognised they'd delayed in readying the property for repair and paid Ms N £250. In the second, Intact paid Ms N £500 compensation for delay and not responding to her.

When an ombudsman made a final decision on the second complaint, they decided that Intact should pay Ms N a further £100 compensation for her waiting at home for contractors who never arrived. They said Intact had made reasonable efforts to deal with repairs – so it was fair, when Ms N wasn't willing for their contractors to continue, to cash settle her claim, based on what it would have cost them to repair. But they said payment could have been made much earlier and so they should pay 8% interest on the settlement from when it could have been paid until it was. And they said Intact should pay any VAT Ms N was charged for repairs, upon receiving documentation showing her chosen tradespeople charged VAT.

The ombudsman noted a further site visit had been agreed to clarify the scope of work to be done and that may result in further payment if additional work was identified. And they said Intact should pay Ms N's laundry and extra electricity and showering costs from January 2018 until November 2021, plus 8% interest.

At the start of 2025, Ms N again complained to Intact about lack of progress in the claim. And she said that Intact's contractors had damaged her boiler when they'd stripped her utility room. This had left her without heat for years and required replacement.

In their response, Intact acknowledged they hadn't acted promptly in complying with the ombudsman's decision, which had led to a four month delay. They paid Ms N £200 compensation for this. But they rejected her complaints about replacing the boiler and pipework as they said their contractors would have had no reason to touch this. In relation to Ms N's complaint that no provision had been made for repairs to her main bathroom, Intact said her solicitors had confirmed this wasn't affected. And they said they'd provided a revised scope of works as Ms N wants them to deal with repairs – but no work would be done until Ms N returns the cash settlement previously paid to her.

Ms N wasn't satisfied with Intact's reply and again brought her complaint to our service. Our investigator reviewed the information provided by both parties and concluded Intact didn't need to do anything different to resolve the complaint. She said there was no evidence to show the boiler wasn't working because of any action by Intact's contractors. She noted Intact has now agreed to review the main bathroom and include any claim related damage in the scope of works – which she said was fair. And she said it was fair for Intact to require the return of the cash settlement she'd previously been paid before they started any work on the property.

Ms N didn't agree with our investigator's view. So the complaint's been passed to me to make a final 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.

Having done that, I'm not upholding Ms N's complaint. I know she'll be disappointed by that outcome. I hope it will help if I explain the reasons for my decision. I'll do so, focusing on the points and evidence I consider material to my decision. So if I don't mention something in particular, it's not because I haven't thought about it. Rather, it doesn't change the outcome of the complaint.

But first, I'd like to confirm that I'll only be looking at the issues that Ms N has complained about since the previous ombudsman's decision and which Intact addressed in their final response of January 2025. While I acknowledge Ms N's concerns, I can't look again at any complaint that's been resolved previously. And, for the sake of completeness, I can only decide Intact should do something more, or different, to resolve this complaint if I think they did something wrong – and what they did impacted negatively on Ms N.

The boiler

Ms N's most recent complaint raised a new issue, namely she says her boiler doesn't work – and hasn't since the start of the claim – because it was damaged when contractors cut pipes as they stripped out her utility room. She's provided photos which she says show the damage. Intact say their contractor would have had no reason to cut the boiler pipes. I've thought about this.

Ms N says she wasn't aware this damage had occurred until she contacted a gas engineer to get a quote for a new boiler in 2024 – seven years after she says it happened. It's her view that this means Intact should pay for the boiler to be replaced.

We would normally expect an insurer to pay for repairs where damage was caused by an insured event – or when they or their contractors cause damage. None of the reports I've seen has suggested the boiler doesn't work because of the water and sewage entering Ms N's home. Nor have I seen that any of the reports prepared for Intact mention the boiler at all.

I've considered the surveyor's report Ms N had done herself. That does refer to the boiler. The report says there is water dripping from beneath the boiler, the pipes are corroded and that the boiler needs replacing. And, while it's clear the pipe was cut, there's no evidence to show when this occurred or who cut it. Intact no longer have detailed records but say their contractor had no need to touch the boiler. And they point out other contractors also attended to clear the blockages. Overall, I've not seen any evidence which persuades me

that it was Intact's contractors who cut the pipes or that it was this which stopped the boiler working. And I don't think it's reasonable to make that assumption given the time that has elapsed since Intact's contractors stripped the utility room. So I can't fairly say Intact should pay for the boiler to be repaired or replaced.

Repairs to the main bathroom

I've seen in relation to this issue that Ms N's solicitors – whom she instructed to help her in the claim - confirmed to Intact that the main bathroom wasn't affected by what had happened. So I can't say Intact should have continued to deal with that aspect of the claim having received that information. However, Ms N has since confirmed to Intact the main bathroom was affected and Intact have agreed to scope repairs to this part of the property. I note Ms N has questioned why this is necessary. The insurance policy only obliges Intact to make repairs to the bathroom that were caused by the ingress of water and sewage – not any other issue there may be with the bathroom. So I think scoping the bathroom damage to decide this is a fair way to progress this part of the claim.

Cash settlement

The ombudsman who considered Ms N's previous complaint decided it was reasonable for Intact to pay her a cash settlement based on what it would cost them to make repairs. As I've said above, I can't overturn that decision.

Intact paid Ms N that sum, together with interest. Ms N has now said she wants Intact to handle repairs. Intact have said they will do that, but the cash settlement and interest will need to be returned first. Ms N says it's unfair that the interest is returned. She says the settlement was itself inadequate. And to require the interest on it to be returned would penalise her.

I understand why Ms N would take that view. But the interest awarded by the previous ombudsman wasn't to compensate her – it was to recognise that Intact could have made the cash settlement earlier, allowing Ms N to have started repairs. And it would have contributed to covering any increase in building costs.

But I understand Ms N hasn't had any repairs done. So I can't fairly say she can keep the settlement money or the interest related to it. As she now wants Intact to deal with repairs I think it's fair she return the cash settlement and the interest related to it before Intact deal with repairs.

Compensation

Ms N has also said she should be compensated for the distress and inconvenience caused by her living conditions since her property was flooded. I note Intact have paid her a total of £1,050 over the three complaints she's made.

While I've no doubt Ms N's living situation has been difficult, as I said above, I can only direct Intact to pay her further compensation if I find they've done something wrong. That's not the case here for the reasons I've set out. And so I don't think they need to do any more to resolve Ms N's complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms N's complaint about Intact Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or

reject my decision before 6 February 2026.

Helen Stacey
Ombudsman