

The complaint

Mr H and Mrs T were unhappy with the delays caused by U K Insurance Limited (“UKI”) which delayed the progress of their claim, and they were unhappy with the general handling of the claim.

What happened

Mr H and Mrs T said:

“Our claim for the incident caused by a third party to our property on 6/9/24 took until 10/3/25 to settle. Instead of the insurance company dealing with our claim in a timely manner, we have had no choice but to take a cash settlement and arrange for the repairs ourselves.

The claim was a straightforward non-fault one and the insurance company will receive all of the monies back from the third party as they admitted liability at the scene. We have had to constantly challenge decisions made by loss adjusters and structural engineers to prove what is covered by our policy and what is not. At no point during the claims process have we felt that the insurance company have offered the support we should have received or the claims process progressing in a timely manner.

We complained about the poor service we received throughout the claim and the constant delays that were created by the insurance company, the loss adjuster that they appointed and the structural engineer who was appointed by the loss adjuster.

We received a cash settlement more than 6 months after the incident and feel that the repairs should have been completed by now instead of us having to arrange it all and still have the property looking like an eyesore”.

UKI acknowledged the standard of service it provided wasn’t satisfactory and since the complaint has been escalated to our service, UKI has increased its offer of compensation to £1,000 in total (an increase of £400). This has been rejected by Mr H and Mrs T, they said for the experience they’ve had that £5,000 compensation is more appropriate.

Our investigator decided to uphold the complaint. However, he thought the revised offer from UKI was fair for the delays it had caused and service issues. The complaint is shown as an uphold as the offer was made after the case was escalated to our service. Mr H and Mrs T 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 reviewing the file, there doesn’t seem to be a disagreement over what happened. The disagreement between the parties is over what a fair level of compensation is. Therefore, I have focused on this.

Mr H and Mrs T have said they expect £5,000 in compensation, which is around five times what has been offered. An award of this amount is extremely rare. Our service uses guidelines to determine what a fair level of compensation is – these can be viewed on our website.

I appreciate Mr H and Mrs T have had a bad experience and they have suffered distress and inconvenience. But I won't be able to award compensation at a level as high as this. The circumstances don't fit with the kind of scenarios I normally see that warrant this level of award.

When Mr H and Mrs T contacted our service, they explained how they'd been impacted over the six months from making the claim to receiving a cash settlement to close the claim. They said:

"Health aspects - the shock of the incident caused both myself and my wife to take time off work. The ongoing stress has been caused by the insurance company making it so difficult for ourselves.

Emotionally - we are still living in a bomb site. The damage caused is where the dogs used to sleep overnight and an internal wall fell onto them during the incident. We have had an ongoing claim for uninsured losses from the third party and our garage is still boarded up - a constant reminder of what happened.

We have had to fight tooth and nail to get repairs done and paid for - the structural engineer said we couldn't claim for the kitchen door but we had to because of security and despite the insurance company denying we could claim for this, they eventually accepted that it could be claimed for.

The structural engineer also said the drive could be painted - it is "irreparable". Everything has been a battle.

Property sale - we aimed to put our property on the market in February 2025 as we are looking".

It's important to remember, with any claim there will be a normal underlying level of distress and inconvenience that's caused by the incident itself. This wasn't caused by UKI. For example, Mr H and Mrs T explained about their shock with the incident and the time they had to take off from work because of this. I appreciate this must have been a difficult time, but I don't think it's fair to hold UKI accountable for this. Similarly, the impact on the dogs from the accident can't be put on UKI, although I appreciate the ongoing arrangements must be more difficult.

I agree with Mr H and Mrs T that the expectation should be that the insurer is there to support and lead a policyholder through the claims process. I don't think that has happened here.

With any claim there will be a period of validation, where an insurer will review the damage. It's a policyholder's responsibility to prove any damage has been caused. But I think in this claim the damage was obvious. I'm glad UKI has agreed to settle some of the areas that have been disputed, such as the kitchen door, meaning that Mr H and Mrs T haven't suffered a financial loss.

However, I would've expected this claim to have progressed smoother than it did. It's clear from the complaint Mr H and Mrs T submitted and the timeline of events demonstrates it has been a frustrating and distressing episode. UKI's representatives have been unprofessional,

communication has been poor, and Mr H and Mrs T have had to drive the progress of this claim themselves. There have been multiple errors made, and certain individuals haven't represented UKI well.

The issues caused have resulted in avoidable delays. It's difficult to put a precise figure on the delay, based upon the information I have. But, I'd estimate the delays at around 3 months, possibly slightly longer. Mr H and Mrs T have had to live in their house in the damaged condition in this time, so I think they would've suffered a significant level of distress and inconvenience.

I don't think UKI's initial offer of compensation to Mr H and Mrs T was fair (£600 in total). However, now that UKI have increased the compensation to £1,000 in total, I think it falls broadly in line with our guidelines which describe this level of award as *"the impact of a business' mistake has caused substantial distress, upset and worry...serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes a year"*. Therefore, I think this increased offer is reasonable.

As the offer was made after the complaint reached our service, the complaint will be recorded as an uphold decision. I know Mr H and Mrs T wanted a higher level of compensation, however, for the circumstances described in this complaint, the guidelines we operate under simply do not stretch to Mr H and Mrs T's expectation.

My final decision

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

- £400 additional compensation (so a total of £1,000 compensation – for distress and inconvenience (if any of the original £600 offer hasn't yet been paid, then UKI should ensure this is paid also).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs T to accept or reject my decision before 31 December 2025.

Pete Averill
Ombudsman