

The complaint

Mr R and Mrs R complain about Allianz Insurance Plc (“Allianz”) and the claim settlement that’s been put forward following a claim they made on the buildings insurance policy paid for, and put in place by, their building landlord and its property managers.

Mr R has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mr R or Mrs R as “Mr R” throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in January 2025, Mr R and Mrs R were tenants in a property covered by their landlords’ buildings insurance policy when it was damaged due to an escape of water in a flat some levels above them. They notified the company responsible for managing the building, who I’ll refer to as “C”, about this damage.

In March 2025, C made a claim to the underwriter of the buildings insurance policy, Allianz, on Mr R’s behalf. But Mr R was unhappy with the way Allianz handled his claim, and their cash settlement offer which he felt failed to account for all the damage to his property amongst other things. So, he raised a complaint about this.

Allianz responded to the complaint and didn’t uphold it, setting out why they felt the cash settlement of £1,500 was a fair one. And they explained they would consider any independent expert report Mr R may obtain to support his position, should he choose to arrange one. So, they didn’t offer to do anything more. Mr R remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator explained they felt Allianz had acted fairly, as well as explaining the scope of the policy and why it was limited to building damages, and not any damaged contents. So, they didn’t recommend Allianz do anything more.

Mr R didn’t agree, providing extensive commentary setting out why. This included, and is not limited to, his continued disagreement with the cash settlement, setting out his unhappiness with the inspection and report that led to its calculation. He maintained his unhappiness with the length of the claim, why he felt his contents ought to be considered and why it was unreasonable to place the burden on him to arrange his own independent expert report.

Our investigator considered all the comments and information Mr R provided. But their view remained unchanged. In summary, they explained why they didn’t agree there were avoidable delays Allianz were responsible for that should require compensation. And they explained why they were unable to comment on what happened during the inspection with the loss adjustor but were satisfied Allianz appropriately considered the findings of the report that followed this. Finally, they maintained that Allianz’ cash settlement was a fair one, so they didn’t agree that this should be increased. Mr R continued to disagree and so, the

complaint has been passed to me for a 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 so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant, in line with our services informal approach as an alternative to the courts. So, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. But I want to reassure both parties I've considered all the information and testimony provided, even if I don't talk to it specifically.

I've focused first on what I'm satisfied is the crux of Mr R's complaint, which centres around the cash settlement Allianz put forward to settle the claim. I note Mr R doesn't feel this settlement offer is a fair one, as it fails to consider damage to rooms other than his hallway, that he feels was caused by the escape of water. So, I've reviewed the evidence available alongside our services approach to decide whether I'm satisfied Allianz offer is reasonable, and having done so, I'm persuaded it is, and I'll explain why.

I must be clear that it's not my role, or the role of our service, to re-underwrite the claim Mr R made. So, I won't be speculating on what damage I feel should have been considered within Allianz' cash settlement offer. Instead, it is my role to consider whether Allianz acted fairly when calculating the settlement, considering our services set approach.

I note in this situation, it was Mr R that requested a cash settlement in July 2025. While I recognise he has disputed he did so, I've seen an email Mr R sent where he states "*we would formally like to request a cash settlement for the necessary repairs*". So, I'm satisfied it was Mr R's own decision to request this, when he was reasonably aware repairs could be arranged, and carried out, through Allianz.

So, as it was Mr R that requested cash settlement, rather than Allianz taking this decision themselves, our service deems it reasonable for any cash settlement Allianz makes to be equivalent to what it would cost them to complete the repairs using their own contractor.

In this situation, I've seen the loss adjustor, who I'll refer to as "S", completed an inspection of Mr R's property and deemed only the hallway to be damaged by the escape of water and so, the insured peril. As S were the independent expert here, our service deems it reasonable for an insurer such as Allianz to rely on this opinion, unless conflicting evidence is provided from a similarly independent expert.

I note Mr R has provided quotes from contractors where repair work to other areas of his property is costed. But crucially, I can't say these quotes are independent, as they have been provided by a business that has a vested interest in the work, and its scope, as they would be receiving payment for it.

So, I'm satisfied Allianz were fair to obtain a costed scope of works, based on the damage S deemed to be caused by the insured peril, from their own preferred contractor as it would be this contractor that was working on their behalf.

And, when Mr R requested a cash settlement, I'm satisfied it was fair for Allianz to propose a cash settlement based on the costs their own contractor calculated, which was just over

£1,100. And I note following Mr R's own challenge, Allianz chose to increase this to £1,500 which from the evidence I've seen, is above the costs put forward by their own approved contractor, based on S' scope.

Because of this, I'm satisfied Allianz have acted fairly when calculating, and offering, their final cash settlement offer of £1,500. And it follows that I'm not directing them to do anything more regarding this point.

I do note Allianz themselves have stated they are willing to reconsider their position, should Mr R wish to provide his own report from an independent expert. This isn't an unreasonable position for Allianz to take. And the onus does fall on Mr R to provide this evidence, should he wish for it to be considered. I recognise this will come at a cost to Mr R, and it's ultimately his choice whether he wishes to bear it. If the report he obtains did support his position, and this changes Allianz stance, our service would usually expect Allianz to cover the cost incurred to Mr R.

I also want to recognise my understanding that Mr R is unlikely to agree to the above. And I note he feels this cash settlement offer fails to account for several things, not exclusive to the damage repairs themselves. For example, he feels it fails to take into consideration alternative accommodation his family will need while repair works are needed. But crucially, S' inspection and scope limit the damage covered by the policy to work in the hallway only. So, as this doesn't impact Mr R and his family's access to bathing or cooking facilities, I can't agree that Allianz were unfair when not including costs for alternative accommodation, as I've not been persuaded this would be needed.

I then turn to Mr R's other complaint points. I note Mr R has expressed his unhappiness that his contents haven't been considered as part of his claim, and why he feels it's fair for all damages to be included.

My finding regarding what was included above remains. But I also want to be clear that Allianz were the underwriter for the buildings policy, that was purchased by the building landlord. While it does include contents cover, this only extends to contents owned by the policyholder, the building landlord/owner, found in the common areas. It does not extend to Mr R's own contents. Should Mr R wish to claim for damages to contents within his property, he would need to raise a complaint with his own content's insurer, should he have one.

I note Mr R has also raised concerns about the length of time his claim took. To be clear, Allianz were only notified of the claim by C at the end of March 2025. So, any delays that took place before this were outside of Allianz control.

And following this, having reviewed the claim timeline, I've not been satisfied there were unreasonable, or unavoidable, delays caused by the failures of Allianz. I'm satisfied that upon receiving notification of the claim, they reasonably arranged for an inspection of Mr R's property. This considers the fact there were other properties damaged by the same event and it was reasonable for Allianz to try and align attendances with these other properties to ensure efficiency.

And once these inspections had taken place by S, I'm satisfied Allianz authorised the required repairs within a reasonable amount of time.

It appears from this date, in late May 2025, to Mr R requesting a cash settlement, there was a delay in arranging a date for the repairs to be undertaken. But crucially, this was caused by a delay in the policy excess being paid. And this wasn't the responsibility of Allianz, or

something they could control. And following Mr R's request for a cash settlement, I'm satisfied the offers were calculated and put to him in a fair and reasonable amount of time.

So, because of all the above, I'm satisfied Allianz have acted fairly and reasonably on this occasion. And it follows that I'm not directing them to take any further action.

Again, I want to recognise this is unlikely to be the outcome Mr R was hoping for. And I don't intend this decision to detract, or take away from, his and his family's lived experience and his clear strength of feeling towards the situation. But for me to say Allianz should do something differently to the action they have already taken, I first need to be satisfied they have acted unfairly and unreasonably considering the evidence available to me and our services own approach. And I'm not able to say this is the case on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr R and Mrs R's complaint about Allianz Insurance Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 4 March 2026.

Josh Haskey
Ombudsman