

The complaint

Mrs E and Mr N complain about the settlement U K Insurance Limited trading as Direct Line (“UKI”) offered for their home insurance claim.

UKI is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As UKI has accepted it is accountable for the actions of the agents, in my decision, any reference to UKI includes the actions of the agents.

Mrs E and Mr N are joint policyholders, but most of the communication regarding the claim and complaint has been from Mr N. So, I’ll refer mainly to him in my decision.

What happened

Mr N made a claim under his home insurance policy with UKI after one of his bathroom wall tiles was accidentally damaged. UKI accepted the claim and asked Mr N to see if he could get a matching tile. The bathroom supplier told Mr N the tiles had been discontinued. So, he submitted a quote for replacing his bathroom to UKI.

UKI said it would cover the cost of replacing the tiles on the wall where the damage was and would contribute 50% towards the replacement of tiles on the unaffected walls. Mr N was unhappy UKI wouldn’t agree to cover the cost of a new bathroom. So, he raised a complaint.

UKI said tiles weren’t considered to be part of a bathroom suite. It said it was only obligated to address the wall where the damaged tile was located. However, it had offered a 50% contribution towards the tiles for the remaining walls as a gesture of goodwill.

Mr N remained unhappy and asked the Financial Ombudsman Service to consider the matter.

Our investigator concluded that UKI wasn’t required to replace Mr N’s whole bathroom. He also wasn’t persuaded that the undamaged tiles were covered under the terms of the policy. However, he thought it would be fair for UKI to extend its offer to contribute 50% towards the unaffected walls to include the floor tiles.

Both parties disagreed with our investigator’s outcome. Mr N felt the investigator hadn’t determined the primary basis of his complaint, namely whether the damage fell within Buildings – Accidental damage cover. UKI made some comments regarding the scope of the complaint Mr N had raised. It said it was willing to reassess any additional elements of the claim if properly presented and supported but it didn’t think the floor tiles should form part of the determination of the current complaint. So, the complaint has 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr N has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr N I've read and considered everything he's sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Mrs E and Mr N's policy covers them for "*Buildings – with full accidental damage*". UKI has accepted their claim under this section of the policy. However, Mr N and UKI disagree about how the claim should be settled under the terms of the policy.

The policy's terms and conditions say:

"How we pay for repairs or rebuilding

If your buildings are damaged by any of the causes listed in Section 1: Buildings cover, we'll do one of the following:

- *Repair or rebuild the damaged part using our suppliers.*
- *Pay to repair or rebuild the damaged part using your suppliers.*
- *Make a cash payment...*

Matching sets and suites

- *If you're on Home Insurance (our standard cover), we won't cover undamaged items from a matching set or suite.*
- *If you're on Home Insurance Plus (our enhanced cover), we will cover undamaged items from a matching set or suite. See page 14 for more about matching sets and suites."*

On page 14 of the policy booklet under "*Buildings – enhanced cover*", it says:

"What's covered

We'll provide additional cover for loss or damage to our buildings as follows.

- ✓ *Matching sets and suites*

We'll pay to replace or repair any undamaged items that are part of a set or suite.

We'll do this if:

- *they are part of a bathroom suite or fitted kitchen, and*
- *the damaged part can't be repaired or replaced.*

If we pay the full replacement cost, you may need to give us the undamaged parts of the set or suite. We'll contact you if you need to do this."

In correspondence with the business and our service, Mr N has referred to different page numbers in the policy booklet. The policy booklet UKI has provided is dated December 2024. The policy booklet that is currently available online is dated September 2025. This is the one Mr N appears to be referring to.

The relevant terms and conditions are the ones that were in force at the start of the period of insurance that is relevant to the claim. The accidental damage event Mr N is claiming for

happened in August 2025, which was within the period of insurance running from April 2025 to April 2026. So, the policy booklet provided by UKI appears to be the one that is relevant here. In any event, while the page numbers are different, the relevant wording is the same in both policy booklets.

Mr N believes UKI should cover the cost of replacing his whole bathroom because of the cracked tile. He says the proposed partial repair and discretionary contribution would result in a permanently downgraded and mismatched bathroom, despite the original installation being a coordinated system.

I understand Mr N chose the style of his bathroom to be exactly the same as one he'd seen in a showroom. However, the terms only include cover for undamaged items in a bathroom if they are part of a "*bathroom suite*". A bathroom suite is generally understood to include items such as a bath, shower, toilet and sink. While the tiles are part of a matching set, I don't think they could reasonably be considered to be part of the bathroom suite. Unfortunately for Mr N, the policy's "*matching sets and suites*" cover doesn't include matching tiles. So, strictly speaking, the policy only entitles Mr N to a repair or replacement of the damaged tile.

In situations where an insurer can't replace an item with an exact match because it's no longer made and matching sets cover doesn't apply, we'd normally say it's reasonable for the insurer to contribute up to 50% towards the cost of replacing undamaged items in the set. This is to compensate the consumer for a loss of match.

In this case, UKI has already offered to pay a 50% contribution towards the undamaged walls. However, it hasn't explained why it didn't offer to make a contribution towards the floor. Having reviewed the photographs of Mr N's bathroom, I can see that the floor tiles match the wall tiles. So, I think it would be fair for UKI to also contribute 50% towards the floor tiles.

In its response to our investigator's outcome, UKI suggested our investigator had gone beyond the scope of Mr N's complaint by recommending it make a 50% contribution towards the floor tiles. But the crux of Mr N's complaint was that UKI wouldn't agree to cover the cost of replacing his entire bathroom. And this would have included replacing the floor tiles. So, I'm not persuaded that the remedy our investigator recommended went beyond the scope of the dispute we've been asked to resolve.

UKI also commented that it had not been given the opportunity to assess whether the floor tiles had been damaged. However, there's never been any suggestion that the floor tiles were damaged. So, it's unclear why UKI feels it should be given the opportunity to inspect them.

While UKI's offer was to cash settle Mr N's claim, it has said it would be willing to get the work done by its approved repairers if he would prefer. I think this is reasonable.

I appreciate both parties will be disappointed with the conclusion I've reached, but I think it's fair and reasonable under the circumstances.

Putting things right

UKI should:

- Cover the cost of replacing the tiles on the wall where the damaged tile is situated and
- Contribute 50% towards the cost of replacing the tiles on the unaffected bathroom walls and the bathroom floor.
- Offer Mr N the option of having the work completed by UKI's approved repairers as an alternative to a cash settlement.

My final decision

For the reasons I've explained, I uphold Mrs E and Mr N's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr N to accept or reject my decision before 29 April 2026.

Anne Muscroft
Ombudsman