

The complaint

Mr W complains about the level of customer service provided by Kerry London Limited (KL) in respect of an escape of water claim relating to his basement flat. He says this delayed the settlement of his claim.

Mr W says that as a direct result of this he was involved in a legal action and he wants KL to cover his costs.

What happened

Mr W owns the leasehold of a basement flat. The freeholder of the flat is a limited company of which Mr W is one of the directors. The buildings insurance for the property is a block policy which covers all the flats. All the leaseholders contribute to the premium.

The policy is in the name of the limited company who own the freehold. KL are the insurance brokers who arranged the buildings insurance cover for the freeholders. One of Mr W's co-directors acted as the main contact for the policy and as the authorised representative of the leaseholders. I'll refer to her as the "managing agent". And a real estate management firm are also involved in management of the property. Together I'll refer to them as the "managing agents".

Mr W made a claim for an escape of water in December 2019. The building insurer accepted the claim and asked Mr W to arrange the repairs privately, but they didn't reimburse the full cost of the repairs to his flat or the cost of alternative accommodation he'd arranged for his son.

Mr W didn't pay the managing agents the service charges for his flat when they became due. He's told us that this was because the managing agents mismanaged his insurance claim and gave instructions to KL which caused delays in progressing and settling the claim. Mr W incurred legal costs of over £15,000 in defending the legal action and he wants KL to reimburse these costs to him.

Mr W says that KL failed to notify him that his claim had been closed by the insurers on 2 December 2022. That they'd told him not to contact the insurers directly and ignored the evidence he provided in relation to his claim.

Mr W raised complaints with KL about their handling of his claim and the legal fees he'd incurred. They didn't uphold his complaints. In their final response letter they said that all correspondence Mr W had sent to them in relation to his claim had been forwarded to the insurers or their agents as Mr W had requested. And all correspondence from the insurers and their agents had been passed only to him, after he told them on 28 November 2019 that he didn't want any correspondence to be copied to the managing agents or the other leaseholders.

KL said they were aware that Mr W had corresponded directly with the insurer's loss adjuster to achieve a settlement offer on his claim, so he had their details to communicate with them regarding any outstanding aspects of his claim.

In late October 2021 KL said Mr W had called them to advise that his claim had not been fully settled and they contacted the insurer, the loss adjuster and the managing agent to tell them to deal with him to finalise his claim. They said he'd acknowledged their correspondence on 5 November 2021 and said he'd deal with the managing agent directly.

After this KL said they heard nothing more from Mr W until November 2024 and weren't aware that his claim hadn't been settled to his satisfaction. And they said they hadn't mismanaged his claim so didn't accept they were responsible for any legal fees he'd incurred.

Unhappy with KL's response Mr W complained to our service. Our investigator considered the case but didn't uphold the complaint. She said that from the information provided by Mr W and KL the relationship between Mr W and the managing agents broke down in late 2019, shortly after KL were notified of his claim.

To progress the claim KL had been communicating with both the managing agent and Mr W. But shortly before the claim was registered with the insurers Mr W asked KL not to copy the managing agent into any further correspondence about the claim. KL advised Mr W that the managing agent had given them strict instructions to only communicate with them regarding the claim, as they preferred to manage the claim, rather than Mr W doing so. Our investigator said that these conflicting instructions put KL in a difficult position and made management of the claim challenging. But she couldn't blame KL for the situation.

KL advised Mr W that they'd be providing the managing agent with updates on the claim and asked him to liaise with her. Our investigator thought this was reasonable given that the claim related to a block policy and the managing agents acted as agents for the individual policyholders. And she said the unfortunate breakdown in the relationship between Mr W and the managing agents appears to have been the cause, or at least contributed to, the slow progress of the claim.

Mr W had sent the invoices for the repairs to his flat to the loss adjusters in April 2020. After some initial delays by January 2021 the insurers agreed to progress the claim, and attempted to reach the managing agent without success. Due to this the insurers closed the claim due to lack of information in July 2021.

In October 2021 Mr W chased KL for an update. They contacted the insurers, the loss adjusters and the managing agent. They were advised by the managing agent that they'd reached an agreement with Mr W regarding his claim and our investigator said KL had relied on this.

There were ongoing calls and emails between KL the insurers, loss adjusters and managing agents until May 2022 in an attempt to resolve the matter.

In June 2022 KL contacted the managing agents regarding an offer to pay Mr W the agreed elements of his repairs, requesting bank details for the funds to be paid into. And they told the managing agents that the insurers would call them regarding some further supporting information they required. KL chased for the bank details in August 2022. No response was received and the insurers closed the claim again in December 2022. It was reopened in December 2024 following further contact from Mr W.

Our investigator thought overall that it was the breakdown in the relationship between Mr W and the managing agents that led to the poor management of the claim between April 2020 and December 2022, rather than anything KL did wrong. And that the managing agents confirmation in October 2021 that it had reached agreement to sort out payment with Mr W

gave KL the impression that the matter was close to resolution and there was nothing to chase.

But she said that if KL had informed Mr W of the claim being closed in December 2022 due to lack of information, it's likely he'd have challenged this, advised them the claim was still to be settled, provided the outstanding information and the claim would have been settled sometime in 2023. But it wasn't settled until 2025.

Our investigator commented that the impact of the delay in settling the complaint had been dealt with in a separate complaint against the insurer, so she wasn't going to comment on that further.

Our investigator said that KL weren't responsible for the settlement of the claim and she was only looking at their actions and role as broker. She didn't think they'd acted unfairly, or unreasonably overall.

They'd continued to liaise with the managing agents with the expectation that information requests and updates would be communicated to Mr W, as the managing agents were his representatives. This didn't happen, but our investigator said she couldn't fairly blame KL for this or the delay in settling the claim.

In respect of Mr W's legal costs our investigator said that these were incurred in a dispute between Mr W and the managing agents about unpaid service charges. Mr W has said that but for the delay in settling his claim he would have paid the service charges when they fell due and it wouldn't have been necessary for the managing agents to take legal action.

Our investigator said that payment of his service charges is a contract between Mr W and the managing agents, so separate from the insurance contract his claim was made under. And it wouldn't be fair to ask KL to reimburse the costs relating to the legal action.

Mr W wasn't happy with what our investigator said about KL's failure to notify him that his claim had been closed by the insurers in December 2022. So she reconsidered this complaint point and issued a further view on 15 September 2025.

In response to her earlier view Mr W had said that KL had a duty to notify him about the progress and closure of his claim. Our investigator provided a summary of the contact KL had with the managing agents leading up to December 2022, as she said this would explain the position she'd taken about this.

She said that shortly after Mr W registered his claim KL had notified him that they'd be providing updates to the managing agents and asked him to liaise with them about his claim. When Mr W called KL in October 2021 to check progress on the claim they said they'd contact the insurers and the loss adjusters.

Following this the managing agent continued to communicate with KL on Mr W's behalf regarding the claim. In February 2022 the managing agents notified KL that agreement had been reached with Mr W regarding the insurance payments. Our investigator said there was no reason for KL to think this wasn't the case or that the managing agents were no longer acting on his behalf. In March 2022 KL contacted the insurers and the loss adjusters checking on the position with the claim.

In June 2022 KL advised the managing agent that the insurers wanted Mr W's bank account details to enable them to arrange a payment. And they asked the managing agent to send details of Mr W's £8,000 claim to the insurers. They also asked the insurer to call the

managing agent to discuss the claim. In August 2022 KL chased the managing agent for the information, advising them that the insurers had been trying to reach them.

Throughout 2022 our investigator said KL were in contact with the managing agents acting on Mr W's behalf. And Mr W didn't contact KL which she said would have led them to believe that he was being updated, especially as the managing agent had told KL Mr W had reached agreement with them regarding the claim settlement.

On 1 December 2022 the managing agent contacted KL requesting the insurer call them to try and progress and finalise Mr W's claim. KL contacted the insurer the same day and notified the managing agent the following day that they'd spoken to the insurer who would be calling them. They asked to be notified if the insurers didn't contact them.

On 2nd December 2022 the insurers advised KL that they'd spoken to the managing agent who'd said they were going to dig out the papers and send these with the additional amounts Mr W was claiming for. Once they received the documentation the insurers said they'd check with the loss adjusters to see if anything was outstanding.

Our investigator said she couldn't see any record of the managing agent contacting either KL or the insurer with the information needed to progress Mr W's claim. So the insurer closed the claim.

She said the managing agent should have been aware that the claim wouldn't progress without them providing the information the insurers needed. While our investigator said it would have been useful for KL to update Mr W or the managing agent that the claim was going to be closed, she said she was mindful that they'd both given instructions to KL not to pass information regarding the claim to the other party.

Mr W and the managing agents both had direct contact details for KL, the loss adjusters and the insurers, and had contacted them directly in 2019, 2020 and 2021. So she said Mr W or the managing agent could have contacted them when they didn't hear back about the claim in December 2022.

If the managing agent had kept Mr W informed our investigator said he'd have been aware that the insurers were waiting for information to move the claim forward, and he wouldn't have waited two years, until November 2024, to request an update.

Our investigator said she didn't think it was fair to blame KL for the lack of progress, particularly as the managing agents had told KL they were keen to work with the insurers to settle and close the claim, only days before the claim was closed. And the claim was closed because the managing agents failed to provide information they'd said they'd send and knew the insurers were waiting for.

But for the conflicting instructions given to the insurers and KL by Mr W and the managing agents regarding contacting and passing information to the other party, our investigator thought it likely that the claim would have progressed more smoothly.

Our investigator concluded by saying she'd also dealt with Mr W's complaint against the insurers regarding delays in settlement of his claim, and had taken into account the significant delays in progressing the claim between December 2022 and November 2024 in reaching her resolution. So she wasn't asking KL to do anything more.

Mr W remains unhappy so the case has come 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.

Mr W has asked that I consider KL's failure to notify him of a significant reduction in cover for his basement flat when the block policy was renewed in 2024. That complaint has been set up as a separate case so I won't be dealing with it in this decision.

I've set out in detail in the background to this complaint the history of KL's dealings with Mr W, the insurers and the managing agents. I agree that KL were put in a difficult position by the conflicting instructions they were given by Mr W and the managing agents.

The managing agents advised KL that they wanted to deal with Mr W's claim and Mr W told KL, in late 2019, that he didn't agree to them copying the managing agents into any further correspondence regarding his claim.

KL advised Mr W that they'd be providing the managing agents with updates on his claim and he should liaise with them. I think this was reasonable and I've not seen any evidence that Mr W told KL he didn't agree to this.

Mr W has asked me to consider the provisions set out in the Insurance: Conduct of Business sourcebook (ICOBS). ICOBS sets out the standard on conduct required by insurers. It applies to KL as intermediaries arranging insurance.

ICOBS 8.1.1 (1) says that an insurer must handle claims promptly and fairly. ICOBS 8.1.1 (2) says they must provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress. And ICOBS 8.1.1 (4) says they must settle claims promptly once settlement terms are agreed.

In this case I need to consider how ICOBS 8.1.1 (2) impacts on the actions taken by KL in respect of updating Mr W about his claim. Mr W had advised KL that he didn't agree to them copying in the managing agents to correspondence regarding his claim. KL had advised Mr W to liaise with the managing agents regarding his claim as they were handling it on his behalf. As I've said above I think this was reasonable.

When KL were contacted by the managing agents in December 2022 they called the insurers as requested, and the insurers later confirmed they'd spoken to the managing agents who were going to provide the documentation required. If the information wasn't provided the insurers could have chased the managing agents or contacted KL, but they chose to close the claim.

Having considered the background to this case I don't think the fault for the closure lies with KL. So I'm not going to ask them to do anything.

I also need to consider Mr W's complaint that KL haven't agreed to meet his costs in relation to the legal action brought against him by the managing agents in respect of his failure to pay the service charges on his property.

The service charges on Mr W's flat are a separate legal contract between him and the managing agents. They're not related to his insurance claim or the delays in this being settled.

Mr W has said that but for the delay in settlement of his insurance claim he'd have paid the service charges and the legal action wouldn't have been started. I appreciate that Mr W was

unhappy with the actions of the managing agents in relation to his insurance claim, but payment of the service charges is a completely separate issue to the settlement of his claim. And just because there was a dispute about that claim, this didn't mean Mr W didn't need to fulfil his contractual obligation to pay the service charges.

So I'm not persuaded that there are any grounds for me to say KL should meet the costs Mr W incurred in relation to those proceedings, even if I thought KL had delayed the settlement of his claim, which in the circumstances of this case, as I've said, I don't.

My final decision

For the reason set out above my final decision is that I don't uphold Mr W's complaint about Kerry London Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 May 2026.

Patricia O'Leary
Ombudsman