

complaint

Mr S and Mrs G have complained that UK Insurance Limited (UKI) have declined a claim they made on their home insurance policy for flood damage.

background

In 2012 Mr S and Mrs G made a claim for damage to their drive and tennis court. When UKI was assessing the claim it came to light that Mr S and Mrs G had made a very similar claim to their previous insurer in 2009. That claim resulted in the insurer making a cash settlement of approximately £41,000. So UKI asked Mr S and Mrs G to provide evidence that they'd had work done to fully repair the damage from 2009. In the end UKI declined the claim as it was not satisfied that the damage being claimed for was the result of a separate incident unrelated to the original damage sustained in 2009.

This issue has been the subject of a previous complaint brought to this service. The adjudicator at that time recommended that UKI should reconsider the claim. This was because Mr S had provided a report from an independent professional concluding that repairs had taken place. UKI agreed to this and re-appointed its loss adjuster to carry out an investigation of the latest damage, comparing it to the damage that happened in 2009. Following this review, UKI again declined the claim. So Mr S and Mrs G have again complained to this service

The adjudicator looking at this new complaint thought it was reasonable that UKI declined the claim. Mr S and Mrs G disagree and so the complaint has been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In 2009 Mr S got quotes for the work totalling about £56,000 including VAT. The insurer had sourced a cheaper quote from different contractors. But Mr S said that he wanted to use contractors that he knew, so he agreed to cash settle the claim for £41,000. Mr S thought that he could fund the rest of the work himself or try and re-negotiate with his contractors.

But Mr S didn't end up using his preferred contractors. He says that they weren't available to start straight away so he used Polish builders that his sister in law recommended. They said that they could do the work to both the drive and the tennis court. Mr S says that he paid them about £40,000 for the work.

UKI thought that the damage Mr S was claiming for looked to be the same as photos it had of the damage sustained in 2009. So it asked Mr S to provide evidence that he'd had work done after the 2009 claim to fully restore his property.

Mr S says that he can't remember the names of the builders. He's lost their contact details and understood them to have gone back to Poland. He doesn't have anything in writing from them in the form of a quote etc. He says that the builders were paid mostly by cash. He says he was repaid loans from some relatives totalling about £3,000 - £4,000 and this went to the builders. And he's also shown UKI statements from a joint bank account that showed cash withdrawals totalling just over £20,000 between June 2009 and June 2010. Mr S has said

that most of this money went to the builders because he and his wife don't tend to use cash for day to day spending. But he hasn't produced details of any other accounts to show that he and his wife didn't routinely use cash themselves. Neither has he shown evidence of any other cash withdrawals that may have gone towards paying the builders the balance of the £40,000 that he's said the work cost.

Mr S says that Mrs G got receipts from the builders when she gave them money. But they don't have most of these anymore. They did show UKI a few receipts. But these are handwritten on plain paper and fail to identify that these were monies paid to the builders.

Although the withdrawals from the joint account are for the period June 2009 – June 2010, Mr S says that the builders were at the property until around September 2010. There is a receipt from July 2010 from someone that cleaned the tennis court. UKI contacted this person and he said that he can't recall any buildings works going on at the property at the time. He also said that the court hadn't been freshly painted at that point.

Mr S says that he has provided enough evidence to validate the claim – 2 or 3 receipts from the builders, bank statements and a letter from the post woman saying that she remembers work being done to the drive. There are also other receipts for things such as sand and a skip. Mr S also instructed an independent engineer to comment on the works that were completed. But from the evidence I've seen, Mr S has provided some contradictory information to UKI over the course of the claim.

I've seen the quotes that Mr S received from his preferred contractors in 2009. The quote for the drive is for an extensive amount of work that would have cost £43,400 plus VAT. The quote for the tennis court again is for an extensive amount of work at a cost of £3,490 plus VAT. I think that Mr S did have some work done to repair the damage following the flood in 2009. But the question is whether he had the full amount of work done to fully restore his property.

The report from the independent engineer concludes that extensive repair work was carried out following the damage in 2009. But this seems to be based on only the same information that UKI has seen – some invoices, bank statements showing some cash withdrawals and the letter from the post woman. The report goes on to say: *'You (Mr S) did not have any written instructions from your insurers/loss adjusters directing you on how to design/progress the repairs. You therefore appointed a builder to carry out repairs with the basic instruction of 'Repair the rutting and sunken areas of the drive and tennis court'.* But the original quote from Mr S's preferred builder was for excavating and re-laying the entire drive.

It seems to me that Mr S had a more basic level of work done, which didn't completely repair the damage caused by the flood.

Mr S has now said that the insurer for the 2009 claim should have over-seen the works to make sure they were done to an acceptable standard and addressed the root cause of the problem. He says that if this had happened, this second claim would never have occurred, which also explains why the current claim is for the same areas of his property as the previous claim. He says that the repairs were done to an acceptable level as far as he and the builder were concerned, and without a specification or guidance from the insurance company, what can he have been expected to do.

If Mr S had agreed to use the original insurer's contractors, then the insurer would have been responsible for the quality of the repairs carried out. But Mr S decided to cash settle

and he therefore became responsible for arranging that the works be carried out to an acceptable standard. He had the quote from his preferred contractor that itemised the works that were required. Mr S could have used this as the 'specification' for the level of work required.

I agree with our adjudicator that Mr S and Mrs G haven't provided enough evidence to prove that they used the cash settlement from 2009 to have their property fully repaired. So UKI isn't satisfied that the damage being claimed for is the result of a separate insurable event and not related to the 2009 claim. It was therefore reasonable of UKI to decline the claim made in 2012. It follows that I don't uphold Mr S and Mrs G's complaint.

my final decision

My decision is that I do not uphold Mr S and Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr S to accept or reject my decision before 11 April 2016.

Carole Clark
ombudsman