

## **The complaint**

Mr W has complained about his property insurer U K Insurance Limited (UKI) regarding its agreement to pay for his accommodation when his home suffered a fire.

## **What happened**

There was a fire at Mr W's home in February 2023. He and his wife moved in with his parents. UKI had a loss adjuster meet with Mr W. He was told he could have £10 per person per day to stay there. Mr W's parents said they could stay for a while if some re-modelling was done. UKI agreed to pay Mr W £1,000 per month for staying with his parents to cover cost of work and utilities.

When UKI started paying the £1,000 per month, Mr W asked where his £10 per person per day was. He thought UKI would be paying both, and council tax costs too. Mr W told UKI he'd been having to organise everything. In a final response of 4 April 2023 UKI said there hadn't been an agreement to pay both sums. It said a claim like this will always cause some inconvenience. Mr W complained to the Financial Ombudsman Service.

Our Investigator didn't think UKI had agreed to pay both. But she felt UKI had caused Mr W some upset which could have been avoided. She thought UKI should pay £200 compensation.

UKI agreed. Mr W was unhappy. He said being offered only £1,000 for accommodation was far too little, he'd been tricked into agreeing it and it had forced him to stay with his parents. He said when he'd shown the loss adjuster apartments for £1,800 a month he was told they were too expensive. Our Investigator asked Mr W for evidence of the apartment details being shared with the loss adjuster. None were provided.

## **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.

I can see that Mr W did need to be at his home a lot during the first few weeks of the claim. Some involvement from a policyholder following a claim like this is often required. But I can see that the visits became too difficult for Mr W and he asked UKI to install a key box to allow access for contractors. UKI agreed but wasn't able to organise this very quickly so Mr W installed one. I'm not really sure why this wasn't put in place at the outset. I accept Mr W was caused a level of inconvenience which could have been avoided.

Mr W has happy, initially, to stay with his parents. I don't doubt he understood he was going to get £10 per person per day and £1,000 per month. But I'm not convinced he was tricked into believing that by misleading detail provided by the loss adjuster. An insurer will sometimes pay £10 per person per day when a policyholder is living in their damaged home, or living in accommodation where they're incurring extra costs – over and above those they'd normally incur living in their non-damaged home. Mr W and his wife were living in a home

with Mr W's parents. So they weren't in their damaged home and they were likely not incurring much more in living costs than they would have been normally – but for the fire.

In the immediate aftermath of the fire, I can understand UKI offering the £10 per person per day. But when UKI was told that £1,000 a month would be needed to adapt the parents' home and cover the extra utility cost, it agreed to pay that. I'm satisfied that was instead of the £10 per person per day. Also that that was reasonable in the circumstances. Because Mr W's 'extra' cost of living with his parents was £1,000 per month.

That sum was for that specific arrangement. There's no indication in the file evidence I've seen from UKI that it refused to pay more than that for Mr W to find a like property to move into. If a similar property was found then UKI would have needed to cover certain costs, such as rent and additional council tax. But from what I've seen, no acceptable property was found. And I note that whilst Mr W says properties he put forward were refused by UKI, he hasn't presented any evidence to show that. I bear in mind though that nor has he said when such properties were found and refused. It was mid-March when UKI and Mr W started to look for alternatives to Mr W's parents' home. And UKI's final response regarding the quantum of the original arrangement was issued on 4 April 2023. My assessment only goes up to that date.

I think UKI generally tried to move the claim forward in spring 2023. And it came to an accommodation arrangement with Mr W which seemed suitable to him at the time. But I think it could have managed some of the arrangements for work better so Mr W wasn't so inconvenienced. And its file shows it didn't talk with Mr W in the latter part of March 2023 to ensure the change in accommodation arrangements was moving on. I'm satisfied £200 compensation is fairly and reasonably due.

### **Putting things right**

I require UKI to pay Mr W £200 compensation. If this sum, for the upset caused subject to this complaint and decision, has been paid already, it won't need to pay it again.

### **My final decision**

I uphold this complaint. I require U K Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 November 2023.

Fiona Robinson  
**Ombudsman**