

## **The complaint**

Mr C complains about U K Insurance Limited (trading as NIG Insurance)'s handling of his buildings insurance claim.

All references to Mr C also include any parties that may have corresponded on his behalf regarding this claim.

For ease, I shall refer to U K Insurance Limited below as "UKI",

All references to UKI also include its appointed agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them in full again here. Below is intended to be a summary of the key events that form this complaint.

- Around October 2022, Mr C had discovered sewage had flooded into his flat. Mr C is the leaseholder at his property and he a beneficiary under the buildings policy.
- UKI appointed a loss adjuster and Mr C was initially put in Alternative Accommodation (AA).
- The AA wasn't available beyond December 2022. And UKI and Mr C were unable to agree on further suitable AA.
- Because of this it was agreed UKI would pay Mr C a cash settlement each month for him to source his own AA.
- However, there were delays in the claims progress. And UKI later requested evidence of the AA costs Mr C had incurred.
- Mr C didn't provide this and disagrees he should have to. He says UKI made no reference originally to him having to provide evidence of costs of AA, simply that it would pay him a set amount until the property was repaired.
- Mr C was also unhappy with how repairs had been progressing and raised a complaint with UKI.
- UKI provided its final response to Mr C's complaint in July 2023. Mr C wasn't satisfied with UKI's response, so he brought his complaint to our service.

Our investigator didn't recommend the complaint be upheld. Mr C disagreed with our investigator's view and requested an ombudsman review matters. In doing so, Mr C has provided further comments for me to consider.

### *Further developments and what my final decision covers*

My decision focusses on events up to UKI's final decision of July 2023.

However, following this I can see there has been further discussion between Mr C and UKI regarding the claim.

In October 2023 a further response was issued by UKI, and in this response it has acknowledged there had been delays in raising the payments for AA it had made previously to Mr C. In recognition of this, it has offered Mr C £200 for the inconvenience its actions have caused.

As this forms part of the complaint regarding AA and concerns events prior to the final response of July 2023, I will be considering this one aspect as part of my 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.

I understand Mr C feels strongly about what has happened. I want to assure him that I've read and carefully considered everything he's said.

My findings focus on what I consider to be the central issues, and not all the points raised. This isn't meant as a discourtesy. But the purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. My role is to consider the evidence presented by Mr C, and by UKI, to reach what I think is a fair and reasonable decision based on the facts of the case.

Having done so, I do not uphold this complaint. I'll explain why.

### *Repairs*

- Claims of this nature can often be inconvenient and take time. I acknowledge Mr C has been out of his property for a while now, and this will understandably be distressing for him. However, I will only be holding UKI responsible for any avoidable delays I've believed it caused.
- A report in February 2023 sets out the initial clean up and sanitisation works had been completed. But I can see there continued to be a dispute regarding the extent of the further works UKI intended to carry out regarding the claim. Because of this, this, repair work was delayed.
- I can see a dispute with the scope of work still existed at the time of a further report from UKI in March 2023. To progress matters, UKI arranged for a surveyor to attend and assess the scope of works. However, I can see as of May 2023, it had been unable to gain permission to access the property. So, the claim was unable to progress.
- Having reviewed the everything available to me, I'm not persuaded UKI have caused avoidable delays in progressing the claim and repairs. Repairs have been delayed due to disagreements with the work UKI intended to carry out. I've not seen anything that persuades me the work UKI did intend to carry out was insufficient, so I don't think it can be held responsible for the delays in repairs starting.
- I would recommend that to move matters forward Mr C arranges for UKI to have access to the property. However, if UKI should not be able to gain access it wouldn't be unreasonable for it to seek to resolve its liability in another way.

### *Alternative Accommodation*

- The policy says it will pay for reasonable costs of comparable accommodation incurred by the policyholder, or the resident of the buildings, during the period necessary to restore the buildings to a habitable condition.

- When reimbursing or covering costs incurred, it's not unusual or unreasonable for an insurer to require proof of the costs – such as receipts or invoices. This is in line with what our service would expect. And the policy itself sets out under claim conditions that UKI would require a customer to give all information required about a claim.
- UKI were initially making the payments, but as the claim wasn't progressing, it required evidence before agreeing to make further payments. I've set out above that I don't think it caused avoidable delays in the progress of the repairs, so I don't think it acted unreasonably here.
- UKI had agreed to pay a cash settlement to Mr C for AA costs. I can see UKI agreed to pay AA costs, and an amount, in correspondence with Mr C. However, I've not seen anything in these emails that persuades me it is a binding contract – or that UKI promised to pay this amount indefinitely.
- So based on everything I've seen, I don't think UKI have acted unfairly in requiring evidence of AA costs before it agrees to make further payments.
- In October 2023 a further response was issued by UKI, and in this response it has acknowledged there had been delays in raising the payments for AA it had made previously to Mr C. In recognition of this, it offered Mr C £200 for the inconvenience its actions have caused. Having reviewed matters I can see UKI were chased for these payments, prior to its position that it required evidence, and UKI delayed making payments. However, I do feel the compensation it has offered fairly reflects the inconvenience its actions have caused. And so, I make no further award here.

For the reasons above, I do not uphold this complaint.

### **My final decision**

My final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 April 2024.

Michael Baronti  
**Ombudsman**