

The complaint

Ms B complains about U K Insurance Limited's (UKI) handling of her claim for an escape of water under her home buildings insurance policy.

What happened

In December 2022 there was an escape of water at Ms B's property. She contacted UKI and registered a claim. She says communication has been poor and the claim has been handled badly. Ms B says she had to arrange her own alternative accommodation as no-one got back to her. She's had to rely on friends for somewhere to stay. Ms B says she is vulnerable and had a broken bone at the time of the loss.

Ms B complained to UKI. It apologised for initially delay in getting a loss adjuster to visit her property. This was due to a surge of claims caused by the very cold weather. It says drying is ongoing at the property. And Ms B rejected its offer of alternative accommodation at a hotel. It says this was offered initially until something more suitable was available. UKI says Ms B won't allow strip out works to commence without a schedule of works. But it says it won't know what work is required until it can identify the extent of the damage.

UKI offered Ms B £500 compensation for the initial delay. She didn't accept this and referred the matter to our service. Our investigator didn't uphold her complaint. She says UKI had provided reasonable explanations for its approach to Ms B's claim. She thought £500 was fair compensation for the delays, missed appointments and incorrect dehumidifier's that were used.

Ms B didn't think this was fair and asked for an ombudsman to consider her complaint.

It 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'm not upholding Ms B's complaint. I'm sorry to disappoint her but I will explain why I think my decision is fair.

My decision will consider UKI's handling of Ms B's claim from the date the loss occurred (19 December 2022) up until UKI sent its final complaint response. The repairs had yet to be completed at this point and I understand Ms B is pursuing a further complaint in this respect. But for clarity my decision will focus on the time period specified above.

Alternative accommodation/Schedule of works

Ms B contacted UKI to report the escape of water on 19 December 2022. From the records provided she was able to stay with a friend that night as her home wasn't habitable. I'm glad Ms B was able to find accommodation she was comfortable with at this time. The notes show she was offered £25 per night for the disruption caused. Ms B thought £70 was fairer

given a hotel would've cost much more.

I can see Ms B continued to arrange her own accommodation up to the date of UKI's complaint response, and beyond. From the records the loss adjuster UKI appointed offered to pay £10 per day as a disruption payment. Alternatively, it was explained to Ms B that UKI would consider accommodation costs on receipt of relevant documentation to support the costs she'd incurred.

I've read Ms B's policy terms and conditions to see what cover she had in place. The terms say:

"We will pay up to £25,000, in total, for alternative accommodation for you and kennel fees for your pets, and lost rent, if:

- your home is uninhabitable while it is being repaired, due to a valid claim you have made under Section 1*
- your home is occupied by squatters.*

Alternative accommodation where appropriate will be reflective of the individuals' needs. Each claim will be reviewed taking into account the duration, location and occupancy and will continue for the shortest amount of time necessary to restore your home to a habitable condition."

It's clear from the records that Ms B's home was uninhabitable after the escape of water. So, cover was in place to provide alternative accommodation. However, Ms B chose to stay with friends close to her home. I can see from the claim notes that the options for alternative accommodation were discussed with her at an early stage. In February the records show a cottage was being considered as a longer-term alternative. Ms B agreed to consider if this was suitable for her needs, given her mobility issues. Details of this accommodation were provided to her.

A record toward the end of February says Ms B wanted to know the budget for alternative accommodation, and a scope of works for the repairs to her home, before agreeing. UKI's notes say it told her the budget depends on availability in the local area and can vary. It says Ms B didn't want to discuss this further without the information she'd requested.

I can see that UKI's loss adjuster confirmed a scope of works wasn't possible until the full extent of the damage could be seen. This involved some invasive work to remove a ceiling to identify the amount of damage caused by the leak. The records say Ms B wanted a less invasive method to be used to assess the damage and maintained that UKI provides her with a full scope of the repair work.

In its complaint response UKI says without significant strip-out works, it can't progress Ms B's claim. It also says it will consider costs incurred for alternative accommodation if and when Ms B provides this information.

I accept that Ms B wanted to know the full extent and cost of the repair works. But UKI's explanation why this wasn't possible is reasonable. It says a schedule of work would be subject to significant change once the strip out work was completed. This seems logical and would mean any schedule of works prepared prior to this would be inaccurate.

I think it's fair that UKI considers any costs Ms B has incurred for alternative accommodation. This should be considered in line with her policy terms and conditions. But I can't see those costs have been provided for UKI to consider. Based on what I've read I don't think UKI behaved unfairly in offering a £10 per day disruption allowance whilst Ms B

stayed with friends. The records show it has discussed options with her, but to date she has chosen to stay with friends. Having considered the evidence, I don't think UKI has treated Ms B unreasonably in relation to this point.

Additional costs including heaters

Ms B raised concerns that she paid for heaters to ensure her home remained warm and to avoid further damage. UKI confirms these costs have been reimbursed. It acknowledges this payment was delayed and offered its apologies.

UKI says its contractors take meter readings prior to any work commencing. It can then calculate the energy used when the repairs are completed and pay the cost of this. I understand this relates to the drying machines that were being used to dry out Ms B's home following the escape of water.

I note Ms B's comments that the wrong machines were used initially. This resulted in them icing up and being ineffective. UKI says the machines used were working, but it was decided to swap them with more efficient models to aid the drying process.

Based on what I've read I can't see that there are costs that UKI hasn't covered or won't be covering as part of Ms B's claim.

Claim progression/communication

I've read the timeline of events UKI supplied, the testimony Ms B set out and listened to two call recordings UKI provided. Based on this information I don't think it provided a good standard of service when progressing Ms B's claim. Particularly at the start.

Ms B is elderly and has mobility issues. She also has limited support available to her and was reliant on UKI to provide an effective response when her home became uninhabitable. In one of the calls I've listened to UKI's agent tells Ms B its loss adjuster will call the day before they are due to attend. This was expected to be toward the end of January 2023. Miss B explains she isn't living at the risk address and isn't sure which friend's house she will be staying at when the loss adjuster rings. She says she will be at the risk address for a period during the day but doesn't want to have to stay late, or for long periods due to the cold and damp.

In the call Ms B clearly explains her circumstances. That she is elderly has mobility issues, a broken bone, and doesn't have a mobile phone or access to email. She is reliant on receiving calls at her home but staying there for any length of time is problematic. UKI's agent repeats the same message that the process requires the loss adjuster to ring the night before an appointment. She said it wasn't possible to give Ms B an appointment time.

I don't think UKI's agent did enough to help Ms B. She was aware of her circumstances but repeated the same standard approach. I can see a mobile phone was provided at a much later stage, in March 2023. But Ms B asked if this could be provided during a call on the day after the claim was registered. This was in December 2022. So, I think this could've been done much sooner.

It's not clear if Ms B has been able to use the mobile phone. She comments that this was posted to her unannounced and she wasn't physically able to use it. I think UKI could've acted sooner to provide a phone and provided support to ensure Ms B could use it. It's clear from the records that communication was an issue. More care in supporting Ms B to be able to communicate effectively with UKI and its agents, could've lessened the delays and the impact on Ms B in travelling to her home in the damp, cold conditions.

Ms B says she was told by the loss adjuster that trace and access work wasn't covered by her policy. I can see that UKI concedes this was an error on its part as cover was in place for this work. However, it says no additional damage resulted from this.

Having considered all of this, and for the reasons I've discussed here, I think UKI should pay Ms B compensation for the distress and inconvenience it caused her.

Contractors

Ms B says contractors and agents turned up at her house unannounced and without identification.

In its response UKI says its contractors won't always carry identification. It suggested Ms B speak to the manager assigned to her claim to arrange for a password to be agreed. It also explained that once the strip-out works were complete, Ms B's house would become a building site, meaning it was unsafe for her to be there. It explains it was able to arrange a key safe so that access could be gained. My understanding is that this would mean Ms B wouldn't need to be at the property. However, work couldn't begin on the strip-out work until this was agreed with Ms B.

I can understand Ms B's concern that she wasn't always made aware of who was attending her property or for what reason. I acknowledge that this added to the anxiety and worry she felt during her claim. This is linked to the communication issues I discussed earlier. In the circumstances I think it's fair that UKI acknowledges the distress it caused with a compensation payment.

In summary, I don't think UKI treated Ms B fairly with regards to the standard of communication. More could've been done from an earlier stage to ensure this was effective. Similarly, communication regarding contractor visits to Ms B's home could've been better. Ms B was distressed and inconvenienced because of this and should be compensated. That said, I think £500 is fair compensation which UKI has already paid.

I don't think UKI behaved unreasonably with regards to the alternative accommodation point discussed here. It confirmed the additional costs that will be refunded and was clear why strip out works must be completed to progress Ms B's claim. I think this was reasonable. So, I can't fairly ask it to do anymore to resolve her complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 7 September 2023.

Mike Waldron
Ombudsman