

The complaint

Mr D has complained about the service provided by UK Insurance Limited ('UKI') trading as Privilege, in relation to his home insurance policy.

For the avoidance of doubt, the term 'UKI' includes reference to its agents, representatives, and contractors in this decision.

What happened

Unfortunately, Mr D's home was damaged by fire in an incident. Mr D was insured by UKI at the relevant time. Mr D reported the matter to UKI, and it processed his claim. However, Mr D was unhappy about the time it's taken for repair works to be completed by UKI. He has lived in temporary alternative accommodation for many months, and Mr D had likened the stay to being in a prison cell. He says that the process has begun to affect his health, and he wants to be back in his home as quickly as possible. In summary, Mr D was unhappy about avoidable delays, a lack of communication and poor claims management by UKI.

UKI accepted that it had been responsible for certain service failures, and it offered £475 compensation for the distress and inconvenience caused by these failures. Mr D didn't consider that this adequately recognised what he'd been through, and he referred his complaint to this service.

The relevant investigator agreed that Mr D had suffered avoidable delays and that there had been a lack of communication and updates by UKI during the claim up to the point when Mr D made his complaint in July 2023. However, the investigator considered that UKI had recognised its service errors and had acted fairly and reasonably in relation to the level of compensation it had offered for the distress and inconvenience caused. In the circumstances, he didn't uphold Mr D's complaint.

Mr D remained unhappy with the outcome of his complaint. In the circumstances, the matter has been referred to me to make a final decision in my role as Ombudsman.

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've also considered the submissions of the parties as summarised below. Mr D felt that £475 didn't in any way compensate him for what he'd been through. This included loss of his social and family life. He said that this was due to UKI's *'lack of control and supervision for nearly a year.'* Mr D had been forced to live in temporary alternative accommodation and felt they were uncomfortable surroundings. Mr D considered that the delays had started in March 2023 and that there had subsequently been no progress. He thought that nobody was taking charge to ensure things progressed. Certain delays related to a dispute around the extent of the works which were required upstairs to reinstate Mr D's home. In this respect, he said that it had been UKI's loss adjuster who had said that re-decoration was needed.

Mr D wanted information such as the loss adjuster's report and the works schedule, as he felt he'd been kept in the dark about the damage and proposed works. As an example of the on-going inconvenience, Mr D said his family were having to come round and pick up his laundry as there were no facilities on site.

I now turn to what UKI has said in response. It had issued its final response letter in July 2023 with regard to Mr D's concerns up to that date. It confirmed that actions agreed in resolution of an initial complaint by Mr D had been met and £100 compensation paid. It accepted however that there had then been further communication issues and poor claims' management that had delayed progress of the claim, which led to extending a stay in temporary alternative accommodation. It therefore upheld Mr D's complaint.

It also made reference to resolution of the issue regarding the scope of the works to be completed. It had arranged for its contractor to revisit Mr D's home to provide a scope of works for decoration upstairs as promised. It said this was delayed *'due to the need for asbestos testing and removal of the textured ceilings...which has in turn been delayed because contents in the bedroom have not been moved as needed.'* It acknowledged that there had been a breakdown in communication in this respect.

As to a replacement kitchen, UKI said it was waiting to receive a supplier's lead-in time for supply. It said that it had asked for Mr D to be provided with an up-dated schedule of works and start date, which it said would regrettably have to be pushed back to allow for the asbestos removal. It also agreed to send a copy of the relevant loss adjuster's report to keep Mr D informed. UKI's case notes showed that when the property was re-surveyed for upstairs decoration, asbestos testing then took place. The results came back in mid-June 2023 and showed that asbestos removal was required from several areas. Nevertheless, UKI acknowledged that it wasn't acceptable for Mr D to have to stay in a hotel for as long as he did due to the service failures. It apologised to Mr D and paid compensation of £475.

Having considered all of the above evidence and submissions, I agree that there have been avoidable delays by UKI, weak communication and poor case management in this case. In response to the complaint, UKI has recognised these failings and has paid £475 compensation for the distress and inconvenience caused. I don't uphold Mr D's complaint as I consider that UKI's response to the complaint has been fair and reasonable in all the circumstances. However, this decision relates only to the period up to July 2023 when a final response letter was sent by UKI regarding failures during the relevant period. Any subsequent complaint to this service would be handled separately.

The reasoning for my decision is as follows. Mr D considered that the delays commenced in March 2023. I note that during the relevant complaint period, it became clear that asbestos removal was required at the property. I recognise that UKI didn't keep Mr D properly informed about this additional complication, so he'd been led to believe that reinstatement could start sooner than was realistic and this demonstrates communication failures by UKI.

It's clear that the damage caused by fire was fairly extensive and meant that Mr D had to move into temporary accommodation for a lengthy period. Unfortunately, incidents of this type, and a move into temporary accommodation, and liaising with insurers can be extremely stressful. When asbestos is discovered at a property and requires removal, this does take additional time, resource and co-ordination and further complicates management of a repair project. Nevertheless, it's expected that insurers will diligently and professionally manage such challenges. It's clear that there had been miscommunication between contractors and agents here. There had also been miscommunication with Mr D for example about the moving of contents to allow work to take place. What I therefore need to consider is the extent to which any failures in case management then caused additional avoidable delays, distress and inconvenience.

I consider that UKI's failures will have caused some significant frustration and inconvenience over a period of weeks. I've considered the service's guidance as to the appropriate level of compensation in such cases. In all the circumstances, I can't say that UKI's response to the case management failures and poor communication for the period in question, was unfair and unreasonable. I'm therefore satisfied that payment of £475 compensation was a fair and reasonable response to Mr D's complaint for the relevant period. In the circumstances, I don't require UKI to do anything else with regard to this specific complaint.

My final decision

For the reasons given above, I don't intend to uphold Mr D's complaint and I don't require UK Insurance Limited to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 December 2023.

Claire Jones
Ombudsman