

The complaint

Mrs K complains about how UIA (Insurance) Limited (UIA) handled a claim under her home insurance policy for damage caused by an escape of water.

References to UIA include their agents who handle claims.

What happened

In July 2022 there was an escape of water at Mrs K's property from an integrated washing machine, causing damage to the kitchen floor and the area around. Mrs K contacted UIA to tell them about the damage and lodge a claim. UIA appointed a firm (T) to manage the claim, who in turn appointed a contractor (RF) to assess the damage and carry out the repair work.

A plumber disconnected the kitchen appliances, including the washing machine and adjoining units (October 2022). Shortly after, RF arrived to begin taking up the damaged kitchen floor. However, removing the floor tiles revealed the damage was more extensive than previously thought, so RF covered the floor with a temporary covering and the plumber returned to re-connect the washing machine and dishwasher to enable them to be used.

T then appointed further contractor (R) to assess the damage. When they inspected the damage, R said the kitchen would need to be stripped out and the area dried. UIA agreed with Mrs K she would move into alternative accommodation while the repair work was carried out. Mrs K moved out in early November, expecting to move back to her property before Christmas. R started work a couple of days after Mrs K moved out, stripping out the kitchen units and removing the floor. However, Mrs K was then told the repair work (to be carried out by RF) couldn't begin until February 2023. She was also told she'd have to move out of the alternative accommodation, as UIA hadn't extended her stay, given the repair work couldn't begin until February.

There were also issues with the repair work at her property being arranged, with Mrs K saying RF didn't keep to dates they'd said for work to be carried out. Mrs K moved back into her property at the beginning of March 2023. But various appliances hadn't been connected and others in place but not integrated. There were issues with flooring, a blind and lighting. RF returned later in March to address the issues, but Mrs K wasn't happy with the standard of work and there were still 'snagging issues'.

Unhappy at what happened and the outstanding issues with her kitchen, Mrs K complained to this Service in May 2023. She wanted a different contractor to finish the work and fix the outstanding issues, as she didn't have confidence in RF. The repair work was originally scheduled to take six weeks (to December 2022) but the work still wasn't fully completed, to a satisfactory standard, in May 2023. She also said her health had been affected from the time the repair work was taking, as she had a health condition and had needed to consult her GP in February 2023. She wanted compensation for the stress of what had happened.

As she complained in the first instance to this Service, not UIA, we asked UIA to consider the issues raised by Mrs K. UIA issued a final response in August 2023, agreeing Mrs K's complaint was justified. They set out a summary of events, including the need for stripping

out and drying of the kitchen and for Mrs K to move into alternative accommodation. The repair work started in February 2023 but there was consequential damage to kitchen worktops and electrics during the stripping out. Mrs K moved back into her property at the beginning of March, at which point there were a number of snagging and other issues. They accepted the need for a new cooker, as a goodwill gesture, due to the non-availability of a part required for it to operate. While they accepted responsibility for the snagging issues, they didn't think their actions (and of their agents) in instructing contractors had been unreasonable. In recognition of the issues in the service they'd provided and the delays (due to the snagging issues) UIA awarded Mrs K £300 in compensation.

Mrs K wasn't happy with UIA's response, saying they hadn't considered all the issues she'd raised. She'd initially been told her move to alternative accommodation would be limited and she could return home before Christmas. In the event, she didn't move back until the beginning of March 2023. And when she did, not all the repair work was complete. While the majority of snagging issues had been resolved, there were still two outstanding (the oven, missing a protective seal that was no longer available, and kitchen lighting under the cupboards, which didn't work). UIA had made an offer for both issues.

As Mrs K wasn't happy with UIA's offer to resolve the complaint, our investigator then considered the complaint.

He upheld the complaint. He didn't think UIA had considered all the delays in assessing the claim and carrying out the repair work, nor had UIA managed Mrs K's expectations. While repair work began in October 2022, it was immediately put on hold because of the additional damage found. So, the repairs didn't actually begin until February 2023. The investigator thought this five-month delay could have been avoided had UIA's contractor completed a more thorough assessment on the damage when Mrs K's property was first inspected in July 2022. While Mrs K expected to move back into her property just before Christmas, it wasn't until the day before she was told the repairs wouldn't start until February 2023. Considering all the delays and issues with repairs that hadn't been fully completed, the investigator thought Mrs K should receive £500 in compensation, UIA should also arrange for the remaining repair work to be completed.

UIA disagreed with the investigator's conclusions and asked that an ombudsman review the complaint. In disagreeing, they said the snagging issues had been resolved. They didn't think the cooker seal had been damaged as a consequence of the claim and subsequent repair work. Their offer of £412 (on an ex gratia basis) to deal with the lighting issue also included the cost of a basic repair to the cooker. They also disagreed about the level of compensation for distress and inconvenience, saying they thought £500 wasn't warranted and their offer of £300 was fair and reasonable.

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'd first want to say I recognise what Mrs K has told us about her medical condition and vulnerability, and the impact on her from what has happened in this case. I also appreciate having to move into alternative accommodation is inherently stressful, though necessary where essential facilities (in this case kitchen facilities) aren't available because of the extent of repair and reinstatement work necessary to fix the damage. I've borne this in mind when deciding, as is my role here, UIA have acted fairly towards Mrs K.

From what I've seen of the case there are two principal issues to consider. First, the overall length of time taken to assess the claim and repair the damage to Mrs K's property. She

says she was initially told the repairs would take six weeks, so she'd be back in her property before Christmas 2022. In the event the repairs didn't start until February 2023, and she didn't move back in until the beginning of March 2023. UIA don't think the timeline of events and their actions (and of their agents) in instructing contractors had been unreasonable.

Considering the first issue, I recognise that assessing damage, producing a detailed scope of work, appointing a contractor and arranging repairs necessarily takes time, and there are lead times for contractors to be engaged and start work. But considering the specific circumstances of the case, I think this period took longer than it should have done.

I also recognise that additional damage can be identified when, as in this case, contractors started to take up the kitchen floor. However, I'm not persuaded that a period of four months was reasonable. Particularly given what Mrs K has told us about not being aware of the delay to the start date for the repair work being pushed back to February 2023, until the day before she was due to move back into her property in December 2022.

I think this, and the time taken for the repair work to start, would have caused her significant distress and inconvenience. I'll consider this when thinking about what a fair and reasonable sum in compensation would be.

The second issue is, when Mrs K moved back in, 'snagging' and other issues with the repair work carried out. Mrs K is unhappy at the number of such issues and the time taken to resolve. UIA accept there were delays, awarding £300 compensation.

I've considered the detail of the snagging issues and UIA's (their contractors') responses to those issues. While some level of snagging issues is to be expected given the extent of the repair and reinstatement work, I think it was greater than Mrs K would reasonably have expected. And UIA acknowledge this in their final response and offer of compensation.

The two remaining issues concern Mrs K's oven and under-cupboard lighting. While UIA don't accept these were the result of the leak and associated stripping out and reinstatement and repair work, they've offered £412 as a goodwill gesture. Looking at the circumstances, I don't think this unreasonable.

Given these conclusions, I've thought about the issue of compensation. The approach we adopt as a Service to distress and inconvenience is set out on our website and I've thought about this case in that context. Mrs K spent an additional two and a half months in alternative accommodation, as a result of the repair work not being completed in the time originally scheduled. And from the date the additional damage and need to revise the scope of the repairs needed - when the contractors arrived in October to take up the kitchen floor - to the date the repair work was rescheduled to start (February 2023) is a period of some four months (and five months to when Mrs K moved back into her property).

Thinking about these factors in the context of our approach and published guidelines as a Service, I've concluded Mrs K suffered considerable distress, upset and worry and significant inconvenience and disruption. Over a period of many weeks and months. I've also considered what she's told us about the impact on her health and wellbeing. Taking these into account, I think £500 compensation for distress and inconvenience would be fair and reasonable.

My final decision

For the reasons set out above, it's my final decision to uphold Mrs K's complaint. I require UIA (Insurance) Limited to:

- Pay Mrs K the £412 they've offered in respect of the issues with her cooker and lighting.
- Mrs K £500 compensation for distress and inconvenience.

UIA (Insurance) Limited must pay the compensation within 28 days of the date on which we tell them Mrs K accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 8 January 2024.

Paul King
Ombudsman