















THE CHARTERED INSTITUTE
OF LOSS ADJUSTERS

Financial Ombudsman Service

- Trends for Complaints
- Levels of Compensation
- What is new?

Complaint Trends

complaints about buildings and contents insurance

		buildings insurance		contents insurance
2007/08	2,669		1,363	
2006/07	1,951		1,238	
2005/06	1,951		1,224	
2004/05	1,624		1,145	
2003/04	1,549		1,154	
2002/03	1,285		1,009	

Compensation

Compensation for distress, inconvenience or other non-financial loss

Distress includes embarrassment, anxiety, in other cases, it can cause worry, loss of sleep or even prolonged ill-health.

Inconvenience can include any expenditure of time and/or effort by the consumer that has resulted from the business's conduct.

Pain and suffering can be considered as more extreme forms of distress and inconvenience.

Modest Compensation

- **cases where the ombudsman awarded *modest* compensation (less than £300)**
- After a fire caused serious damage to their house, Mr and Mrs N and their young family moved into alternative accommodation, paid for by the insurer. Unfortunately, the insurer gave the contractors inaccurate information about the extent of the repair and redecoration work needed on the house. As a result, the family had to stay in the alternative accommodation, paid for by the insurer, for three weeks longer than should have been necessary.
- ***ombudsman news***
- **issue 71**
- August 2008

Substantial Compensation

- **cases where the ombudsman awarded *significant* compensation (£300 – £999)**
- Mrs D was caused considerable distress when her insurer persisted in addressing all its queries to her deceased husband – not to her. Mr D had died in a car accident only a couple of days after he had submitted a claim for flood damage under their buildings insurance. When she received an acknowledgement of the claim, Mrs D phoned the insurer to let it know her husband had died. However, the insurer continued to address all letters about the claim to Mr D. It even rang Mrs D at home on one occasion and asked to speak to her husband about the claim.
- ***ombudsman news***
- **issue 71**
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Exceptional Compensation

- **cases where the ombudsman awarded *exceptional* compensation (£1,000 or more)**
- When Miss J left her partner, Mr C, who had a history of violent behaviour, she moved to a different town and asked her bank not to let Mr C know where she was living. The bank was fully aware of her difficult circumstances and assured her it would keep her details confidential. However, it disclosed her new address to Mr C. He subsequently broke into her home and assaulted her, causing her to spend several days in hospital.
- ***ombudsman news***
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What is New

- The Ombudsman decisions do not set precedents as each case considered on its merits.
- *Claim for flooding and damp in basement after exceptional rainfall – whether policy also covered cost of repairing damaged damp-proofing in walls.*
- **Issue 68/09 (March/April 2008)**

- **Issue 68/08 (March/April 2008)**
- *Whether uneven concrete flooring resulted from subsidence or poor construction*